



## NatWest Markets N.V.

*(incorporated with limited liability under the laws of The Netherlands and having its corporate seat in Amsterdam, The Netherlands and registered in the Commercial Register of the Chamber of Commerce under number 33002587)*

### €2,000,000,000 Euro Medium Term Note Programme

Under the €2,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), NatWest Markets N.V. (the "**Issuer**" or "**NWM NV**") may, subject to compliance with all relevant laws, regulations and directives, from time to time, issue unsecured and unsubordinated notes (the "**Notes**") denominated in any currency agreed by the Issuer and the relevant Dealer(s) (as defined below). The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed €2,000,000,000 (or its equivalent in other currencies, subject to increase as provided herein).

The requirement to publish a prospectus under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the "**EEA**") and the United Kingdom ("**UK**"). References in this base prospectus (the "**Base Prospectus**") to "**Exempt Notes**" are to Notes for which no prospectus is required to be published under the Prospectus Regulation. Information contained in this Base Prospectus regarding Exempt Notes shall not be deemed to form part of this Base Prospectus and the AFM (as defined below) has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

The Notes may be issued on a continuing basis to one or more of the Dealers specified below and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**").

This Base Prospectus has been approved by the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "**AFM**") as competent authority under the Prospectus Regulation. The AFM only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Notes. This Base Prospectus is dated 30 September 2021 and is valid for a period of twelve months from the date of approval and its validity will expire on 30 September 2022. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

Application has been made to Euronext Amsterdam N.V. ("**Euronext Amsterdam**") for Notes (other than Exempt Notes) issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to listing and trading on the regulated market of Euronext Amsterdam (the "**Market**"). References in this Base Prospectus to Notes (other than Exempt Notes) being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the Market. The Market is a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**"). The Programme provides that Exempt Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer and the relevant Dealer(s). The Issuer may also issue unlisted Exempt Notes and/or Exempt Notes not admitted to trading on any market. In the case of Exempt Notes, the applicable Pricing Supplement (as defined below) will state whether or not the relevant Notes will be listed and/or admitted to trading.

Other than in the case of the Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of such Notes, the issue price of such Notes and other information which is applicable to each Tranche of such Notes will be set out in a final terms document (the "**Final Terms**") which will be delivered to the AFM and Euronext Amsterdam on or before the date of issue of the Notes of such Tranche. In the case of Exempt Notes, notice of the aggregate nominal amount, interest (if any) payable in respect of such Notes, the issue price of such Notes and other information which is applicable to each Tranche of Exempt Notes will be set out in a pricing supplement document (the "**Pricing Supplement**"). Accordingly, in the case of Exempt Notes, each reference in this Base Prospectus to the applicable Final Terms shall be read and construed as a reference to the applicable Pricing Supplement unless the context requires otherwise.

**Prospective investors should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Notes as an investment in the light of their own circumstances and financial condition. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Notes and are not relying on the advice of the Issuer or any Dealer in that regard. Prospective investors should consider carefully the risks set forth herein under "Risk Factors" prior to making investment decisions with respect to the Notes.**

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the terms and conditions of the Notes herein, in which event, in the case of Notes (other than Exempt Notes) and if appropriate, a drawdown prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes. In the case of listed Exempt Notes only and if appropriate, a supplementary prospectus or drawdown prospectus will be published which will describe the effect of the agreement reached in relation to such Notes, or such additional terms will be set out in the applicable Pricing Supplement.

As at the date of this Base Prospectus: (i) long-term senior obligations of the Issuer are rated "A-" by S&P Global Ratings UK Limited ("**S&P**"), "A2" by Moody's Investors Service Ltd. ("**Moody's**"), "A+" by Fitch Ratings Limited ("**Fitch**") and (ii) short-term obligations of the Issuer are rated "A-2" by S&P, "P-1" by Moody's and "F1" by Fitch. For further information on the meanings of these credit ratings please see the definitions set forth herein under "General Information – Credit Ratings". Notes issued under the Programme may be rated or unrated. When an issue of a certain Series of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme (if any) and such rating may be specified in the applicable Final Terms. S&P, Moody's and Fitch are each established in the UK and registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. In general, European and UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency registered (or certified) under respectively the CRA Regulation and the UK CRA Regulation.

*Arranger*

**NatWest Markets**

*Dealers*

**ABN AMRO**  
**BofA Securities**  
**Crédit Agricole CIB**  
**Daiwa Capital Markets Europe**  
**ING**  
**Mizuho Securities**  
**NatWest Markets**  
**SMBC Nikko**  
**TD Securities**  
**UniCredit**

**BBVA**  
**Citigroup**  
**Credit Suisse**  
**Deutsche Bank**  
**J.P. Morgan**  
**Morgan Stanley**  
**RBC Capital Markets**  
**Société Générale Corporate & Investment Banking**  
**UBS Investment Bank**

This Base Prospectus comprises a base prospectus for the purposes of the Prospectus Regulation in respect of the Notes (other than Exempt Notes). This Base Prospectus has also been prepared for the purpose of giving information with regard to the Issuer and its subsidiaries, which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, the rights attaching to the Notes and the reasons for any issuance of Notes and its impact on the Issuer.

Notes may only be issued in bearer form. Each Tranche of Notes will be initially represented by a global Note which will, (i) if the global Notes are intended to be issued in new global note ("**NGN**") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"); (ii) if the global Notes are not intended to be issued in NGN form ("**CGN**"), as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg; and (iii) if the global Notes are intended to be cleared through the Central Moneymarkets Unit Service ("**CMU Service**") operated by the Hong Kong Monetary Authority (the "**CMU Operator**"), as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a sub-custodian for the CMU Service (such Notes initially cleared through the CMU Service, the "**CMU Notes**"). A temporary global Note will be exchangeable for either a permanent global Note or Notes in definitive form, in each case as specified in the applicable Final Terms, and in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. A permanent global Note will be exchangeable for definitive Notes, in whole or, in the circumstances described in "Form of the Notes" below, in part, upon either (a) 60 days' notice given at any time or (b) only upon the occurrence of an Exchange Event (as defined in "Form of the Notes" below).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and Notes are (unless (i) the applicable Final Terms indicate that the Limited Exchange Event as defined in "Form of the Notes" applies and (ii) the Notes are treated as issued in registered form for U.S. federal income tax purposes) subject to U.S. tax law requirements under the U.S. Tax Equity and Fiscal Responsibility Act of 1982. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "Subscription and Sale" below).

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" below). This Base Prospectus shall be read and construed on the basis that such documents are so incorporated and form part of this Base Prospectus.

None of the Dealers, the Agent and the other Paying Agents has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any of the Dealers, the Agent or the other Paying Agents as to the accuracy or completeness of the information contained in this Base Prospectus or any financial statements or any other information provided by the Issuer in connection with the Programme or the Notes.

No person has been authorised to give any information or to make any representation not contained in or which is inconsistent with this Base Prospectus (including the information incorporated by reference herein) and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers, the Agent and the other Paying Agents.

This Base Prospectus (including the information incorporated by reference herein) should not be considered as a recommendation or a statement of opinion (or a report of either of those things) by the Issuer, any of the Dealers, the Agent or the other Paying Agents that any recipient of this Base Prospectus (including the information incorporated by reference herein) should purchase any Notes. Prospective investors should have regard to the factors described under, and referred to in, the section headed "Risk Factors" in this Base Prospectus. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Base

Prospectus (including the information incorporated by reference herein) does not constitute an offer or invitation by or on behalf of the Issuer, any of the Dealers, the Agent or the other Paying Agents to any person to subscribe for or to purchase any Notes.

The delivery of this Base Prospectus does not at any time imply that the information contained in this Base Prospectus (including the information incorporated by reference herein) concerning the Issuer is correct at any time subsequent to the date of this Base Prospectus. The Dealers, the Agent and the other Paying Agents expressly do not undertake to review the financial condition or affairs of the Issuer or any of its subsidiaries during the life of the Programme.

The Issuer, the Dealers, the Agent and the other Paying Agents do not represent that this Base Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers, the Agent or the other Paying Agents which is intended to permit distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations, and the Dealers have represented accordingly.

This Base Prospectus has been prepared on the basis that any offer of Notes must be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and/or the offer or sale of Notes in the EEA, the United States of America, the UK, Australia, Japan, Hong Kong, the PRC (as defined below), Spain, France and Singapore (see "Subscription and Sale" below).

Whenever the defined term "Final Terms" is used in this Base Prospectus such term shall be deemed to include any applicable Pricing Supplement, unless the context otherwise requires.

All references in this Base Prospectus to "**NWM NV Group**" are to NWM NV and its subsidiaries consolidated in accordance with International Financial Reporting Standards (as adopted by the European Union ("**EU**") ("**IFRS**"), taken together. All references in this Base Prospectus to "**NatWest Group**" are to NatWest Group plc together with its (in)direct subsidiaries, including the Issuer, and associated undertakings. All references in this Base Prospectus to "**NWM Group**" are to NatWest Markets Plc ("**NWM Plc**") together with its (in)direct subsidiaries, including the Issuer, and associated undertakings.

All references in this Base Prospectus to "**euro**", "**€**" and "**EUR**" refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union as amended, those to "**Japanese Yen**" refer to the lawful currency of Japan, those to "**Sterling**" and "**£**" refer to the lawful currency of the UK, those to "**Australian dollars**" and "**A\$**" refer to the lawful currency of Australia, those to "**CNY**" or "**Renminbi**" refer to the lawful currency of the PRC and those to "**United States dollars**" refer to the lawful currency of the United States of America.

All references in this Base Prospectus to "**PRC**" are to the People's Republic of China, which for the purpose of this Base Prospectus shall exclude the Hong Kong Special Administrative Region of the People's Republic of China, the Macao Special Administrative Region of the People's Republic of China and Taiwan.

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## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. This overview must be read as an introduction to this Base Prospectus. Any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference, by any investor.*

*Words and expressions defined under the headings "Form of the Notes" or "Terms and Conditions of the Notes" below shall have the same meanings in this overview. The Issuer may agree with any Dealers that Notes may be issued in a form other than that contemplated in "Terms and Conditions of the Notes" herein, in which event, in the case of Notes (other than Exempt Notes) and if appropriate, a drawdown prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes. In the case of listed Exempt Notes only and if appropriate, a supplementary prospectus or drawdown prospectus will be published which will describe the effect of the agreement reached in relation to such change, or such additional terms will be set out in the applicable Pricing Supplement.*

### **Issuer**

NatWest Markets N.V.

The Issuer and its subsidiaries (i.e. the NWM NV Group) consolidated in accordance with IFRS had total assets of EUR 22.9 billion and total equity of EUR 2.2 billion as at 30 June 2021. The Issuer's consolidated capital ratios on a CRR transitional basis as at 30 June 2021 were a total capital ratio of 31.5 per cent., a CET1 capital ratio of 24.8 per cent. and a Tier 1 capital ratio of 28.5 per cent.

### **Risk Factors**

The principal risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes are discussed under "Risk Factors" below.

### **Arranger**

NatWest Markets Plc

### **Dealers**

ABN AMRO Bank N.V.

Banco Bilbao Vizcaya Argentaria, S.A.

BofA Securities Europe S.A.

Citigroup Global Markets Europe AG

Crédit Agricole Corporate and Investment Bank

Credit Suisse Bank (Europe), S.A.

Daiwa Capital Markets Europe Limited

Deutsche Bank Aktiengesellschaft

ING Bank N.V.

J.P. Morgan AG

Mizuho Securities Europe GmbH

Morgan Stanley Europe SE

NatWest Markets N.V.

RBC Europe Limited

SMBC Nikko Capital Markets Europe GmbH

Société Générale

TD Global Finance unlimited company

UBS AG London Branch

UniCredit Bank AG

<b>Size</b>	Up to EUR 2,000,000,000 (or its equivalent in any other currencies) outstanding at any time. The Issuer may increase the amount of the Programme.
<b>Maturities</b>	Any maturity as indicated in the applicable Final Terms.
<b>Issue Price</b>	Notes will be issued at an issue price which is at par or at a discount to, or premium over, par.
<b>Form of Notes</b>	Each Tranche of Notes will initially be issued in the form of a temporary global Note, or, if so specified in the applicable Final Terms, a permanent global Note (which may or may not be in new global note form). A temporary global Note will be exchangeable, either for a permanent global Note or definitive Notes and a permanent global Note will be exchangeable for definitive Notes in certain circumstances.
<b>Terms of Notes</b>	<p>The following types of Note may be issued: Notes (i) bearing interest at a fixed rate or a floating rate or (ii) not bearing interest or (iii) being a combination of any of the foregoing.</p> <p>Interest periods, rates of interest and the amounts payable on redemption may differ depending on the Notes being issued. Such terms will be specified in the applicable Final Terms.</p>
<b>Fixed Rate Notes</b>	Fixed Rate Notes will bear interest at the fixed rate(s) of interest specified in the applicable Final Terms. Such interest will be payable in arrear on the Interest Payment Date(s) specified in the applicable Final Terms or determined pursuant to the Terms and Conditions.
<b>Reset Notes</b>	Reset Notes will, in respect of an initial period, bear interest at the initial fixed rate of interest specified in the applicable Final Terms. Thereafter, the fixed rate of interest will be reset on one or more date(s) specified in the applicable Final Terms by reference to a mid-market swap rate or government security for the relevant Specified Currency, and for a period equal to the reset period, as adjusted for any applicable margin, in each case as may be specified in the applicable Final Terms. Such interest will be payable in arrear on the Interest Payment Date(s) specified in the applicable Final Terms or determined pursuant to the Terms and Conditions.
<b>Floating Rate Notes</b>	<p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <p>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or</p>



- (ii) by reference to EURIBOR, BBSW, BKBM, SHIBOR, HIBOR, CNH HIBOR, SOR, SIBOR, TIBOR, CDOR, STIBOR, NIBOR, SOFR, SONIA, €STR or SARON,

in any such case as adjusted for any applicable margin specified in the applicable Final Terms.

Interest periods will be specified in the applicable Final Terms. Such interest will be payable in arrear on the Interest Payment Date(s) specified in the applicable Final Terms or determined pursuant to the Terms and Conditions. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate, or both.

### **Zero Coupon Notes**

Zero Coupon Notes may be issued at their nominal amount or at a discount to their nominal amount and will not bear interest.

### **Redemption**

The applicable Final Terms will specify the redemption amount and whether the relevant Notes can be redeemed prior to their stated maturity (other than for taxation reasons or following an event of default) (i) at the option of the Issuer and/or (ii) at the option of the holders of such Notes.

### **Redemption for Tax Reasons**

The Issuer may redeem all, but not some only, of the Notes of any Series at the price set out in the applicable Final Terms together with any outstanding interest:

- (i) in the event that as a result of a change in law in The Netherlands, it is obliged to pay additional amounts in respect of any present or future tax, duty or charge of whatever nature imposed or levied by or on behalf of The Netherlands or any political subdivision or any authority thereof or therein having the power to tax; or
- (ii) upon the occurrence of certain other changes in the treatment of the relevant Notes for taxation purposes as described in Condition 5(b),

in each case provided that the Issuer cannot avoid the foregoing by taking measures reasonably available to it.

### **Redemption at the Option of the Issuer**

If the applicable Final Terms for Notes of any Series specify that the Issuer has an option to redeem such Notes, the Issuer may opt to redeem all, or (if specified in the applicable Final Terms) some only, of such Notes at the price set out in the applicable Final Terms together with any outstanding interest.

### **Denomination of Notes**

The Notes will be issued in such denominations as specified in the applicable Final Terms save that the minimum denomination of Notes which require the publication of a prospectus under the Prospectus Regulation will be €100,000 (or its equivalent).

**Taxation**

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed within The Netherlands unless required by law. If a deduction for or on account of such withholding tax is required by law, subject as provided in Condition 6, the Issuer will be required to pay such additional amounts as will result in receipt by the holders of the sums which would have been receivable by them had no such withholding been required.

**Status of Notes**

The Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves and with all other present and future direct, unconditional, unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory and/or overriding provisions of law.

**Rating**

Each Tranche of Notes may be rated or unrated.

**Listing and admission to trading**

Application has been made to Euronext Amsterdam to admit the Notes (other than Exempt Notes) to be issued under the Programme to trading on the Market.

In the case of Exempt Notes, the applicable Pricing Supplement will state whether or not the relevant Notes will be listed and/or admitted to trading.

**Governing Law**

The Notes, and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, the laws of The Netherlands.

**Selling Restrictions**

See "Subscription and Sale" below.

*The Terms and Conditions of the Notes do not contain any negative pledge covenant by the Issuer and there is no cross default provision.*

## RISK FACTORS

*Prospective investors should consider carefully the risks set forth below and the other information contained in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision with respect to the Notes. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial condition or prospects of NWM NV Group, which, in turn, could cause NWM NV Group's future results to be materially different from expected results and could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.*

*The factors discussed below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties NWM NV Group's businesses face. The Issuer believes that the factors described below represent the material risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons (including risks of which it is not currently aware) and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. All of these factors are contingencies which may or may not occur. Investors should note that they bear the Issuer's solvency risk. Other risks, events, facts or circumstances not included in this Base Prospectus, not presently known to the Issuer, or that the Issuer currently deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the Issuer's group business, financial condition, results of operations and prospects. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to the Issuer's business, financial condition, results of operations and prospects. The Issuer may face a number of these risks described below simultaneously and some risks described below may be interdependent. While the risk factors below have been divided into categories, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section.*

### **A. Risk Factors relating to NWM NV Group**

*Factors which the Issuer believes may be material for the purpose of assessing the risks associated with NWM NV Group are described below.*

#### **1. Risks relating to the COVID-19 Pandemic**

***The effects of the COVID-19 pandemic on the UK, Dutch, European and global economies and financial markets and NWM NV Group's customers, as well as its competitive environment may continue to have a material adverse effect on NWM NV Group's business, results of operations and outlook.***

In March 2020, the World Health Organization declared the spread of the COVID-19 virus a pandemic. Since then, many countries, including the UK (NatWest Group's most significant market) and The Netherlands have at times imposed strict social distancing measures, restrictions on non-essential activities and travel quarantines, in an attempt to slow the spread and reduce the impact of the COVID-19 pandemic.

The Dutch economy, as well as in the economies of most countries, went into recession in 2020 as measures were introduced to reduce the spread of the COVID-19 virus. Towards the end of 2020 and at the start of 2021, many restrictions were re-introduced and the Dutch Central Bank (*De Nederlandsche Bank "DNB"*)

forecasted that in the coming years, the COVID-19 pandemic is likely to lead to higher unemployment, lower economic growth and a significantly increased government deficit. The COVID-19 pandemic has caused significant reductions in levels of personal and commercial activity, reductions in consumer spending, increased levels of corporate debt and, for some customers, personal debt, increased unemployment and significant market volatility in asset prices, interest rates and foreign exchange rates. It has also caused physical disruption and slowdown to global supply chains and working practices, all of which have affected NWM NV Group's customers.

Further waves of infection may result in further restrictions in affected countries and regions, including in The Netherlands. While vaccine treatment is currently being deployed, the pace of deployment and ultimate effectiveness is uncertain, and vaccines may fail to achieve immunisation that is significant within the population. Therefore, significant uncertainties remain as to how long the COVID-19 pandemic will last. Even when restrictions are relaxed, they may be reimposed, sometimes at short notice if either immunisation is insufficient or new strains of the COVID-19 virus or other diseases develop into new epidemics or pandemics.

Significant uncertainties continue as to the extent of the economic contraction and the path and length of time required to achieve economic recovery. In response to the COVID-19 pandemic, central banks, governments, regulators and legislatures in the UK, The Netherlands and elsewhere have announced historic levels of support and various schemes for impacted businesses and individuals including forms of financial assistance and legal and regulatory initiatives, including further reductions in interest rates. Whether or not these measures effectively mitigate the negative impacts of the COVID-19 pandemic on NWM NV Group, some of these measures, or further measures, such as negative interest rates, may also have a material adverse effect on NWM NV Group's business and performance. There is no certainty as to how long such financial assistance and legal and regulatory initiatives may last, how they may evolve in the future and, how consumers and businesses may react to such initiatives. NWM NV Group's clients may be negatively impacted when such support schemes are scaled back and ultimately ended, which in turn could expose NWM NV Group to increased credit and counterparty risk. In addition, the COVID-19 pandemic related uncertainties and the range of prudential regulatory support has made reliance on analytical models, planning and forecasting for NWM NV Group more complex and may result in uncertainty impacting the risk profile of NWM NV Group and/or that of the wider banking industry. The medium and long-term implications of the COVID-19 pandemic for NWM NV Group customers, and the UK, Dutch and global economies and financial markets remain uncertain and may continue to have a material adverse effect on NWM NV Group's business, results of operations and outlook.

***The adverse impact of the COVID-19 pandemic on the credit quality of NWM NV Group's counterparties has increased NWM NV Group's exposure to counterparty risk, which may adversely affect its business, results of operations and outlook.***

The effects of the COVID-19 pandemic have adversely affected (and may further affect) the credit quality of many of NWM NV Group's borrowers and other counterparties. As a result, NWM NV Group experienced (and may continue to experience) elevated exposure to credit risk and demands on its funding from, for example, customers and borrowers drawing down upon committed credit facilities.

If borrowers or counterparties default or suffer deterioration in credit quality, this may increase impairment charges, credit reserves, writedowns and regulatory expected loss. An increase in drawings upon committed credit facilities may also increase NWM Plc's and/or its subsidiaries' – including NWM NV Group – risk weighted assets ("RWA"). If NWM NV Group experiences losses and a reduction in future profitability, this is likely to affect the recoverable value of fixed assets, including deferred taxes, which may lead to further write-downs and, in turn, have a material adverse effect on NWM NV Group's business, results of operations and outlook.

NWM NV Group has applied an internal analysis of multiple economic scenarios ("MES") together with the determination of specific overlay adjustments to inform its IFRS 9 ECL (Expected Credit Loss "ECL"). The recognition and measurement of ECL is complex and involves the use of significant judgment and estimation. This includes the formulation and incorporation of multiple forward-looking economic scenarios into ECL to meet the measurement objective of IFRS 9. The ECL provision is sensitive to the model inputs and economic assumptions underlying the estimate. Going forward, NWM NV Group anticipates observable credit deterioration of a proportion of assets resulting in a systematic uplift in defaults, which is mitigated by those economic assumption scenarios being reflected in the Stage 2 ECL across portfolios, along with a combination of post model overlays in both wholesale and retail portfolios reflecting the uncertainty of credit outcomes. A credit deterioration would also lead to RWA increases. Furthermore, the assumptions and judgments used in the MES and ECL assessment at 31 December 2020 may not prove to be adequate, resulting in incremental ECL provisions for NWM NV Group. As government support schemes reduce, defaults are expected to rise with more ECLs cases moving from Stage 2 to Stage 3. Any of the above could have a material adverse effect on NWM Group's business, results of operations and outlook.

***The COVID-19 pandemic may adversely affect NWM Group's strategy and impair its ability to meet its targets and to achieve its strategic objectives.***

In February 2020, NatWest Group outlined a Purpose-led Strategy (as defined below), which requires changes in NWM Group's business, including reductions in capital allocated to NWM Plc or its subsidiaries, its cost base and complexity. As part of the NWM Refocusing (as defined below), the NWM Group set a number of financial, capital and operational targets and expectations. The sudden and profound economic and social impact of the COVID-19 pandemic, and the revised economic outlook challenge many of the fundamental assumptions behind its targets, especially on impairment levels and the impact of IFRS9, RWA reductions, loan growth and cost reductions, such that the relevant targets and expectations may no longer be achievable as planned and/or on the timelines projected, or at all. For example, the COVID-19 pandemic caused significant market volatility, which temporarily increased NWM Group's market risk and has caused RWA inflation, which may further increase in the future.

Whilst NWM Group, as part of NatWest Group, remains committed to its cost reduction targets, achieving the planned reductions in an environment affected by the COVID-19 pandemic will be more challenging and may require additional savings to be made in a manner that may increase certain operational risks and could impact productivity and competitiveness within NWM Group and which may have a material adverse effect on NWM Group's business, results of operations and outlook.

It is uncertain as to how the broader macroeconomic business environment and societal norms may be impacted by the COVID-19 pandemic, which is already resulting in several significant wider societal changes. For example, one of the most visible effects of the COVID-19 pandemic has been the impact on the most vulnerable groups of society and concerns about systemic racial biases and social inequalities.

In addition, the COVID-19 pandemic has accelerated existing economic trends that may radically change the way businesses are run and people live their lives. These trends include digitalisation, decarbonisation, automation, e-commerce, and agile working, each of which has resulted in significant market volatility in asset prices. There is also increasing investor, regulatory and customer adapt these changes and related climate, environmental, social, governance and other sustainability issues including workplace health, safety and wellbeing, diversity and inclusion, data privacy, workforce management, human rights and supply chain management. Any failure or delay by NWM NV Group to adopt its business strategy and to establish and maintain effective governance, procedures, systems and controls in response to these changes and to manage emerging climate, environmental, social and other sustainability-related risks and opportunities may have a material adverse effect on NWM NV Group's reputation, business, results of operations and outlook and the value of NWM NV Group's securities. See also *"Any failure by NWM NV Group to implement effective and compliant climate change resilient systems, controls and procedures could adversely affect NWM NV*

*Group's ability to manage climate-related risks" and "A failure to adapt NWM NV Group's business strategy, governance, procedures, systems and controls to manage emerging sustainability-related risks and opportunities may have a material adverse effect on NWM NV Group's reputation, business, results of operations and outlook".* The COVID-19 pandemic may also result in unexpected developments or changes in financial markets, the fiscal, tax and regulatory frameworks and consumer customer and corporate client behaviour, which could intensify competition in the financial services industry. If NWM Group is not able to adapt or compete effectively, it could experience loss of business, which in turn could have a material adverse effect on its business, results of operations and outlook.

The COVID-19 pandemic may also result in unexpected developments or changes in financial markets, the fiscal, tax and regulatory frameworks and consumer customer and corporate client behaviour, which could intensify competition in the financial services industry. If NWM NV Group is not able to adapt or compete effectively, it could experience loss of business, which in turn could adversely affect its business, results of operations and outlook.

***The COVID-19 pandemic has heightened NWM Group's operational risks as many of its employees are working remotely which may also adversely affect NWM Group's ability to maintain effective internal controls.***

Due to the COVID-19 pandemic, as at 31 January 2021, many of NWM NV Group's employees have started, and continue to work remotely. This has increased reliance on NWM NV Group's IT systems that enable remote working and increased exposure to fraud, conduct, operational and other risks and may place additional pressure on NWM NV Group's ability to maintain effective internal controls and governance frameworks. The IT systems that enable remote working interface with third-party systems, and NWM NV Group could experience service denials or disruptions if such systems exceed capacity or if a third-party system fails or experiences any interruptions, all of which could result in business and customer interruption and related reputational damage, significant compensation costs, regulatory sanctions and/or a breach of applicable regulations. See also *"NWM NV Group's operations are highly dependent on its complex IT systems (including those that enable remote working), and any IT failure could adversely affect NWM NV Group"*.

Sustained periods of remote working may also negatively affect workplace morale. Whilst NWM NV Group has taken measures seeking to maintain the health, wellbeing and safety of its employees during the COVID-19 pandemic, these measures may be ineffective and could result in increased expenses and widespread illness could negatively affect staffing within certain functions, businesses or geographies. Certain areas of NWM NV Group also continue to experience workloads that are heavier than usual as a result of increased client requirements, or other related direct and indirect effects. Resources have been diverted from certain ordinary course activities, and regulatory and other change projects, including the implementation of the NWM Refocusing, which may have implications for the execution of related deliverables and meeting regulatory and other deadlines (for example DNB requires banks to incorporate climate-related risk into their governance and risk management arrangements). Operational difficulties as a result of the COVID-19 pandemic, which may affect NWM NV Group's external stakeholders (including clients), may result in challenges in managing daily cash and liquidity. As a result of the COVID-19 pandemic, compliance and conduct risk may also be heightened both as a result of internal and external factors. The economic impact of the COVID-19 pandemic may also necessitate changes in the remuneration of NWM NV Group employees, in particular at a senior level. For example, the European Banking Authority ("**EBA**") issued a call to banks to assess their remuneration policies in line with the risks stemming from the economic situation caused by the COVID-19 pandemic and the ECB recommended banks to be extremely moderate with regard to variable compensations (which recommendation was supported by DNB). Any of the above could impair NWM NV Group's ability to hire, retain and engage well qualified employees, especially at a senior level, which in turn may adversely impact NWM NV Group's ability to serve its clients efficiently, and impact productivity across NWM Group, including NWM NV Group. This could have a material adverse effect on

NWM NV Group's reputation and competitive position and its ability to retain and attract critical staff or to retain and grow its business. Any of the above could have a material adverse effect on NWM NV Group's business, results of operations and outlook.

***The effects of the COVID-19 pandemic could affect NWM NV Group's ability to access sources of liquidity and funding, which may result in higher funding costs and failure to comply with regulatory capital, funding and leverage requirements.***

Depending on the severity and duration of market volatility resulting from COVID-19 pandemic related uncertainties and the impact on capital and RWAs, NWM NV Group may be required to adapt its funding plan in order to satisfy its capital and funding requirements, which may have a material adverse effect on NWM NV Group. In addition, impairments or other losses as well as increases to capital deductions may result in a decrease to NWM Plc's capital base, and/or that of its subsidiaries (including NWM NV). In response to the COVID-19 pandemic, there have been relaxations on certain countercyclical buffer requirements and stress tests, as well as the calculation of RWAs and leverage, which may be reinstated in the future. In addition, increased income as a result of higher levels of customer flow activity and balance sheet growth (as a result of increases in corporate deposits and derivative valuations) may not be sustained in the future. Furthermore, market volatility may result in increases to leverage exposure. Any downgrading to the credit ratings and/or outlooks assigned to NatWest Group plc, NWM Plc, NWM NV or certain other NatWest Group entities and their respective debt securities as a result of the economic impact of the COVID-19 pandemic could exacerbate funding and liquidity risk. Further changes may be possible and are uncertain in nature, which could have a material adverse effect on NWM NV Group's business, results of operations and outlook.

## **2. Strategic risk**

***NatWest Group is in the process of implementing its Purpose-led Strategy, which requires changes in the business and strategy of NWM Group and NWM NV Group, and entails material execution, commercial and operational risks for NWM NV Group.***

In February 2020, the NatWest Group announced a new strategy, focused on becoming a purpose-led business designed to champion potential, and to help individuals, families and businesses to thrive. NatWest Group aims to deliver this strategy, referred to as its "**Purpose-led Strategy**", through: (i) four strategic priorities: 'supporting customers at every stage of their lives'; 'powered by innovation and partnerships'; 'simple to deal with'; and 'sharpened capital allocation'; and (ii) three areas of focus: climate change, enterprise and learning. This strategy requires changes in NWM Group's business, including an increased focus on serving the NatWest Group's corporate & institutional customer base, with the Issuer remaining NWM Group's principal European operating company. NWM Group intends to achieve this by simplifying its operating model and technology platform, as well as reducing its cost base and capital requirements. Together, these initiatives are referred to as the "**NWM Refocusing**". The implementation of the Purpose-led Strategy is highly complex, and the changes required for both the Purpose-led Strategy and the NWM Refocusing are substantial, will be implemented over several years, and may not result in the expected outcome on the timeline and in the manner contemplated.

As part of its Purpose-led Strategy, NatWest Group has set a number of financial, capital and operational targets and expectations, both for the short term and throughout the implementation period. In addition to the NWM Refocusing, NatWest Group will require significant reductions to its wider cost base. In addition to requiring additional cost reductions within NWM Group, this could affect the cost and scope of NatWest Group's provision of services to NWM Group, which individually and collectively may impact NWM Group's competitive position and its ability to meet its other targets.

A part of the NWM Refocusing is the intended reduction in NWM Plc's level of risk RWAs through accelerating the exit of exposures and an optimisation of inefficient capital across NWM Group. The NWM

Refocusing entails significant commercial, operational, legal and execution risks and is based on certain material assumptions that may prove to be incorrect should, for example, RWAs take longer to exit or are more costly to reduce than anticipated or not possible to exit at all. In addition, it is anticipated that NWM Group will generate operating losses over the course of the transition plan period and therefore NWM Group's capital levels will also decline. Moreover, it is anticipated that NWM Plc's capital ratios will be maintained, as the level of RWAs is anticipated to fall more quickly than capital levels. However, capital levels could decline at a faster pace than expected (with a corresponding effect on the capital ratios), should RWA exit costs or operating costs be higher than anticipated, revenues reduce relatively faster than costs as a result of execution issues or market conditions, or if NWM Plc and/or NWM NV have difficulties accessing the funding market on acceptable terms or at all (including if the legal entity credit ratings are negatively impacted). Should any of the above arise, additional management actions by NWM Group or NatWest Group may be triggered, which may adversely affect NWM NV Group. The implementation of the NWM Refocusing is also expected to result in material costs for NWM Group and NWM NV Group, and could be materially higher than anticipated, including due to material uncertainties and factors outside of NWM Group's and NWM NV Group's control, or could be phased or could progress in a manner other than currently expected.

The NWM Refocusing is highly complex and NWM Group and NWM NV Group may not be able to successfully implement all aspects of it or reach any or all of the related targets or expectations within the timeframes contemplated, or at all. The targets and expectations that accompany the NWM Refocusing are based on management plans, projections and models, and are subject to a number of key assumptions and judgments, any of which may prove to be inaccurate. The scale and scope of the intended changes present material and increased operational, IT system, culture, conduct, business and financial risks to NWM Group, including NWM NV Group, especially during the planning and implementation period. The NWM Refocusing may also create increased people risk through the loss of key staff, the recalibration of roles and loss of institutional knowledge. This, combined with the prolonged COVID-19 pandemic, may impact NWM NV Group's culture and morale. The NWM Refocusing is resourceintensive and disruptive, and will divert management resources, adding to the challenge for the new senior management team of NWM Group and NWM NV Group. In addition, the scale of changes being concurrently implemented will require the implementation and application of robust governance and controls frameworks and robust IT systems. There is a risk that NWM NV Group may not be successful in doing so.

The focus on meeting cost reduction targets requires head-count reductions and may also result in limited investment in other areas which could affect NWM Group's (including NWM NV Group) long-term prospects, product offering or competitive position and its ability to meet its other targets and commitments. A significant proportion of the cost savings are dependent on simplification of the IT systems and therefore may not be realised in full if IT capabilities are not delivered in line with assumptions. These risks will be present throughout the period of refocusing and alignment, which is expected to last for the medium term. Each of these risks could jeopardise the delivery and implementation of the NWM Refocusing, result in higher than expected costs, impact NWM NV Group's products and services offering or office locations, reputation with customers or business model and adversely impact NWM Group's (including NWM NV Group) ability to deliver its strategy and meet its targets and guidance, any of which could in turn have a material adverse impact on NWM NV Group's business, results of operations and outlook. The NWM Refocusing envisages a smaller scaled business and its successful implementation expected to result in substantially lower revenues. As a result, there can be no certainty that the NWM Refocusing will be successfully executed, that NWM NV Group will meet targets and expectations, or that the refocused NWM NV Group will be a viable, competitive business aligned to NatWest Group's corporate and institutional customer offering.



***NWM Group (including NWM NV Group) may not be able to successfully implement the ongoing NWM Refocusing and it may not achieve its targets and NWM Group (including NWM NV Group) may not ultimately result in a viable, competitive business.***

As part of the NWM Refocusing, NWM Group has set a number of financial, capital and operational targets and expectations including for the NWM NV's Group. These include (but are not limited to) expectations relating to reductions in RWAs and the timing thereof, and CET1 ratio.

The successful implementation of the NWM Refocusing is currently underway, but is highly complex and the ability to meet associated targets and expectations is subject to various internal and external factors and risks. These include, but are not limited to, market, regulatory, economic and political uncertainties, operational risks, insufficient cost reduction plans, risks relating to NatWest Group's, NWM Group's and NWM NV's Group business models and strategies and delays or difficulties in implementing the NWM Refocusing. The successful implementation of the NWM Refocusing also depends on how the NWM Refocusing is perceived by its customers, regulators, rating agencies, stakeholders and the wider market, how that impacts its business, and NWM NV Group's ability to retain employees required to deliver the transition and its go-forward strategic priorities.

Revenues will be negatively impacted, and the implementation may be more difficult or expensive than expected. Costs relating to the NWM Refocusing may also be higher than anticipated. Uncertainty regarding the implications of the NWM Refocusing on the NWM NV Group, regulatory pressures or changes in the economic and political and regulatory environment in which NWM NV Group operates or regulatory uncertainty or economic volatility, including (but not limited to) as a result of the effects of the COVID-19 Pandemic and continued uncertainty surrounding future trading arrangements with the UK and the volume and pace of transfers of EEA clients from NWM Plc to NWM NV, or changes in the scale and timing of policy responses on climate change, may require the NWM Group to adjust aspects of the NWM Refocusing relevant to the NWM NV Group or the timeframe for its implementation. See also "*NWM NV is the NatWest Group's banking and trading entity located in The Netherlands. NWM NV has recently repurposed its banking licence, and NWM NV Group may be subject to further changes*" for other risks relating to changes to NWM NV Group's business and operations that may have an adverse effect on NWM NV Group.

NWM NV Group's ability to serve its customers may be diminished by the implementation of the NWM Refocusing. In addition, customer reactions to the changed nature of NWM Group's business model may be more adverse than expected and previously anticipated revenue and profitability levels may not be achieved in the timescale envisaged or at all. An adverse macroeconomic environment, including due to the COVID-19 pandemic, sustained low interest rates, continued political and regulatory uncertainty and/or strong market competition may also pose significant challenges to the successful implementation of the NWM Refocusing and the achievement of its targets. The prolonged period of implementation and changed nature of NWM Group's business may also adversely affect the credit rating assigned to NWM Plc and certain of its subsidiaries (including NWM NV) or any of their respective debt securities, which could adversely affect the availability and cost of funding for NWM NV Group and negatively impact NWM NV Group's liquidity position.

Should NWM Group not be able to implement or execute the NWM Refocusing as contemplated, it may negatively impact revenues for NWM NV Group, its ability to meet targets and expectations and could lead to revisions to the NWM Refocusing strategy, including management actions by NatWest Group. Such changes and revisions could have an adverse effect on NWM NV Group and may affect its ability to be a viable and competitive business.

### ***3. Economic and political risk***

***NWM NV Group faces market risk as a result of increased political and economic risks and uncertainty in the UK, European and global markets.***

NatWest Group faces political uncertainty in Scotland as a result of a possible second Scottish independence referendum. Scottish independence may impact NatWest Group plc and other NatWest Group entities (including NWM Plc being the parent company of NWM NV) being headquartered and/or incorporated in Scotland. Any changes to Scotland's relationship with the UK and/or the EU (as an indirect result of Brexit (as defined below) or other developments) would impact the environment in which NatWest Group and its subsidiaries operate, and may require further changes to NatWest Group (including the structure of NWM Group and NWM NV Group), independently or in conjunction with other mandatory or strategic structural and organisational changes which could adversely impact NWM Group and NWM NV Group.

The value of NWM NV Group's financial instruments may be materially affected by market risk, including as a result of market fluctuations. Market volatility, illiquid market conditions and disruptions in the credit markets may make it extremely difficult to value certain of NWM NV Group's financial instruments, particularly during periods of market displacement. This could cause a decline in the value of NWM NV Group's financial instruments. This may have an adverse effect on NWM NV Group's results of operations in future periods or cause inaccurate carrying values for certain financial instruments. Similarly, NWM NV Group trades a considerable amount of financial instruments (including derivatives) and volatile market conditions could result in a significant decline in NWM NV Group's net trading income or result in a trading loss.

In addition, financial markets are susceptible to severe events evidenced by rapid depreciation in asset values, which may be accompanied by a reduction in asset liquidity. Under these extreme conditions, hedging and other risk management strategies may not be as effective at mitigating trading losses as they would be under more normal market conditions. Moreover, under these conditions, market participants are particularly exposed to trading strategies employed by many market participants simultaneously and on a large scale, increasing NWM NV Group's counterparty risk. NWM NV Group's risk management and monitoring processes seek to quantify and mitigate NWM NV Group's exposure to more extreme market moves. However, severe market events have historically been difficult to predict and NWM NV Group could realise significant losses if extreme market events were to occur.

The outlook for the global economy over the medium-term remains uncertain due to a number of factors including: the COVID-19 pandemic, resulting societal inequalities and changes, trade barriers and the increased possibility and/or continuation of trade wars, widespread political instability (including as a result of populism and nationalism, which may lead to protectionist policies), an extended period of low inflation and low (or negative) interest rates, climate, environmental, social and other sustainability-related risks and global regional variations in the impact and responses to these factors. These conditions could be worsened by a number of factors including macro-economic deterioration, increased instability in the global financial system and concerns relating to further financial shocks or contagion (for example, due to economic concerns in emerging markets), market volatility or fluctuations in the value of, *inter alia*, the euro and the pound sterling, new or extended economic sanctions, volatility in commodity prices or concerns regarding sovereign debt. This may be compounded by the ageing demographics of the populations in the markets that NWM NV Group serves, increasing inequalities or rapid change to the economic environment due to the adoption of technology and artificial intelligence. Any of the above developments could adversely impact NWM NV Group directly (for example, as a result of credit losses) or indirectly (for example, by impacting global economic growth and financial markets and NWM NV Group's clients and their banking needs).

In addition, NWM NV Group is exposed to risks arising out of geopolitical events or political developments, such as trade barriers, exchange controls, sanctions and other measures taken by sovereign governments that may hinder economic or financial activity levels. Furthermore, unfavourable political, military or diplomatic events, including secession movements or the exit of other member states from the EU, armed conflict, pandemics and widespread public health crises (including the current COVID-19 pandemic and any future epidemics or pandemics, state and privately sponsored cyber and terrorist acts or threats, and the responses to them by governments and markets, could negatively affect the business and performance of NWM NV

Group including as a result of the indirect effect on regional or global trade and/or on NWM NV Group's customers.

***Continuing uncertainty regarding the effects of the UK's withdrawal from the EU may continue to adversely affect NWM Plc (NWM NV's parent company) and its operating environment and NatWest Group plc (NWM NV's ultimate parent company) and may have an indirect effect on NWM NV Group.***

After the 2016 EU Referendum, the UK ceased to be a member of the EU and the EEA on 31 January 2020 ("**Brexit**"). The 2020 EU-UK Trade and Cooperation Agreement ("**TCA**") ended the transition period on 31 December 2020 and provides for free trade between the UK and EU with zero tariffs and quotas on all goods that comply with the appropriate rules of origin. The TCA provides for minimal coverage for financial services; UK incorporated financial services providers no longer have EU passporting rights and there is no mutual recognition regime. Financial services may largely be subject to individual equivalence decisions by relevant regulators. A number of temporary equivalence decisions have been made that cover all services offered by NWM Group (NWM N.V Group's parent). The EU's equivalence regime does not cover most lending and deposit taking, and determinations in respect of third countries have not, to date, covered the provision of investment services. In addition, equivalence determinations do not guarantee permanent access rights and can be withdrawn with short notice. The TCA is accompanied by a joint declaration on financial services, which sets out an intention for the EU and UK to cooperate on matters of financial regulation and to agree a memorandum of understanding by March 2021. There is no certainty, however, as to the form, scope and timing of any such Memorandum of Understanding.

NatWest Group has engaged in significant and costly Brexit planning and contingency planning. NatWest Group continues to monitor regulatory developments, and NatWest Group continues to seek advice on any transitional regimes being introduced by individual EU countries, including The Netherlands. It is updating its operating model accordingly. NatWest Group also continues to assess where NatWest Group companies can obtain bilateral regulatory permissions to permit business to continue from its UK entities, transferring what cannot be continued to be rendered from the UK to an EEA subsidiary. Where such regulatory permissions are temporary or are withdrawn, a different approach may need to be taken or may result in a change in operating model or some business being ceased. Not all NatWest Group entities have applied for bilateral regulatory permissions and instead intend to move EEA business to an EEA licenced subsidiary. There is a risk that such EEA licences may not be granted, and where these permissions are not obtained, further changes to the NatWest Group's operating model may be required or some business may need to be ceased. In addition, failure to obtain regulatory permissions in one part of the NatWest Group may impact other parts of the NatWest Group (including NWM NV Group) adversely. Certain permissions are required in order to maintain the ability to clear euro payments and others will allow NatWest Group to continue to serve non-UK EEA customers. Furthermore, transferring business to an EEA based subsidiary is a complex exercise and involves legal, regulatory and executional risks, and could result in a loss of business, customers or greater than expected costs. The changes to NatWest Group's operating model have been costly and further changes to its business operations, product offering and customer engagement could result in further costs. Any of the above could, in turn, negatively impact NWM NV Group. NatWest Group previously announced that it had transferred the client relationship coverage of its Western European corporate portfolio to NWM NV Group. This was accompanied by the transfer of certain term funding and revolving credit facilities from NWB Plc to NWM NV Group. In light of NatWest Group's most recent Brexit planning and consistent with NatWest Group and NWM Group's – including NWM NV Group - strategies, NWM NV Group currently expects that certain parts of NatWest Group's Western European corporate portfolio may remain in NatWest Holdings Group and not be transferred to NWM Group and/or NWM NV Group. In addition, some or all of this portfolio already held in NWM NV Group may be transferred back to NatWest Holdings Group.

The timing and quantum of any such transfers is uncertain and NWM NV Group can give no assurance as to the full impact of such transactions on its go-forward results of operations. As a result, NWM NV Group's business, results of operations and outlook could be adversely affected.

The effects of the UK's exit from the EU and the EEA are expected to continue to affect many aspects of the business and operating environment of NatWest Group, including NWM Group and NWM NV Group, including as described elsewhere in these risk factors, and may be material and/or cause a near term impact on impairments.

The long-term effects of Brexit on the operating environment of NatWest Group, including NWM Group and NWM NV Group, are difficult to predict. They may be impacted by wider global macro-economic trends and events, particularly COVID-19 pandemic related uncertainties, which may significantly impact NWM NV Group and its customers and counterparties who are themselves dependent on trading with the UK or personnel from the UK. They may exacerbate the economic impacts of the COVID-19 pandemic on the UK, The Netherlands, the Republic of Ireland ("ROI") and the rest of EU/EEA.

Significant uncertainty remains as to the extent to which EU/EEA laws will diverge from UK law (including bank regulation), whether and what equivalence determinations will be made by the various regulators and therefore what respective legal and regulatory arrangements will be, under which NWM Group and its subsidiaries (including NWM NV Group) will operate. The legal and political uncertainty and any actions taken as a result of this uncertainty, as well as new or amended rules, could have a significant adverse impact on NWM Group's businesses and non-UK operations and/or legal entity structure, including NWM NV Group, including attendant operating, compliance and restructuring costs, level of impairments, capital requirements, regulatory environment and tax implications and as a result may adversely impact the profitability, competitive position, business model and product offering of NWM Group and NWM NV Group.

***Changes in interest rates have affected and will continue to affect NWM NV Group's business and results.***

Interest rate risk exists for NWM NV Group, as monetary policy has been accommodative in recent years including initiatives implemented by the European Central Bank ("ECB") such as its corporate sector purchase programme, which helped to support demand at a time of pronounced fiscal tightening and balance sheet repair. However, there remains considerable uncertainty as to the direction of interest rates and pace of change (as set by the ECB and other major central banks) including as a result of the COVID-19 pandemic and its effect on the UK and Dutch economy as well as the general Dutch political or economic climate. Further decreases in interest rates and/or continued sustained low or negative interest rates would be expected to continue to put further pressure on NWM Group's interest income and profitability.

Conversely, while increases in interest rates may support NWM NV Group income, sharp increases in interest rates could have macroeconomic effects that lead to adverse outcomes for the business. For example, they could lead to generally weaker than expected growth, or even contracting GDP, reduced business confidence, higher levels of unemployment or underemployment and adverse changes to levels of inflation, all of which could adversely affect the business and performance of NWM NV Group.

***HM Treasury (or UKGI on its behalf) could exercise a significant degree of influence over the NatWest Group and NWM NV Group is ultimately controlled by NatWest Group plc.***

In November 2019, NWM Plc acquired RBS Holdings NV ("RBSH"), NWM NV's immediate parent, from RFS Holdings B.V. ("RFSH"). All entities are wholly owned by NatWest Group plc. As such, NatWest Group plc is the ultimate parent company of NWM NV.

In its March 2020 Budget, the UK Government announced its intention to continue the process of privatisation of NatWest Group plc and to carry out a programme of sales of NatWest Group plc ordinary shares with the objective of selling all of its remaining shares in NatWest Group plc by 2025. On 6 February 2019, NatWest Group plc obtained shareholder authority to make off-market purchases of its ordinary shares from HM Treasury under the terms of a directed buyback contract. The authority provided by this contract was renewed at NatWest Group's Annual General Meeting on 29 April 2020. On 19 March 2021, NatWest Group plc announced the completion of an off-market purchase of its ordinary shares from HM Treasury

pursuant to this contract, thereby reducing HM Treasury's holding from 61.7% to 59.8% of the issued ordinary share capital of NatWest Group plc. There can be no certainty as to the continuation of the sell-down process or the timing or extent of such sell-downs.

UK Government Investments Limited ("UKGI") manages HM Treasury's shareholder relationship with NatWest Group plc and, although HM Treasury has indicated that it intends to respect the commercial decisions of the NatWest Group and that NatWest Group entities (including NWM NV Group) will continue to have its own independent board of directors and management team determining their own strategy, its position as a majority shareholder (and UKGI's position as manager of this shareholding) means that HM Treasury or UKGI could exercise a significant degree of influence over, among other things, the election of directors and appointment of senior management, the NatWest Group's (including NWM NV Group's) capital strategy, dividend policy, remuneration policy or the conduct of NatWest Group's (including NWM NV Group's) operations, and HM Treasury or UKGI's approach depends on government policy, which could change, including as a result of a general election. The exertion of such influence over NatWest Group could in turn have an adverse effect on the governance or business strategy of NWM NV Group.

In addition, as a wholly-owned subsidiary of NWM Plc (and ultimately, NatWest Group plc), NWM Plc and NatWest Group plc may have a significant influence on NWM NV Group's board of directors, corporate policies, corporate governance and strategic direction. The interests of NatWest Group plc as an equity holder and as NWM NV Group's ultimate parent may differ from the interests of NWM NV Group or of potential investors in NWM NV Group's securities.

#### **4. Financial resilience risk**

***NWM Group may not meet the targets it communicates to the market, generate returns or implement its strategy effectively.***

NWM NV Group is subject to transfer pricing arrangements with its parent entity, NWM Plc. Arm's length transfer pricing legislation in both The Netherlands and UK requires that, for transactions between related parties, each entity is rewarded on the same basis as two independent parties negotiating a contract covering the same activities. The transfer pricing arrangements between NWM NV and NWM Plc require approval by both counterparties and are subject to audit by Dutch and UK tax authorities. A significant portion of NWM NV Group's income derives from transfer pricing income received from NWM Plc. Should the level of such income change as a result of regulatory intervention or otherwise, this may have a material and adverse impact on NWM NV Group's profitability.

As part of NatWest Group's Purpose-led Strategy and NWM Refocusing, NWM NV Group has set a number of internal and external financial, capital and operational targets including in respect of: CET1 ratio targets, leverage ratio targets, targets in relation to local regulation, funding plans and requirements, management of RWAs and the timing thereof, employee engagement, diversity and inclusion as well as environmental, social and customer satisfaction targets.

NWM NV Group's ability to meet its targets and to successfully implement its strategy is subject to various internal and external factors and risks. These include, but are not limited to, the impact of the COVID-19 pandemic, the direct and indirect effects of the COVID-19 pandemic, client and staff behaviour and actions, market, regulatory, economic and political factors, developments relating to litigation, governmental actions, investigations and regulatory matters, and operational risks and risks relating to NWM NV Group's business model and strategy (including risks associated with climate, environmental, social, governance and other sustainability-related issues) and the NWM Refocusing. See also " *The effects of the COVID-19 pandemic on the UK, Dutch, European and global economies and financial markets and NWM NV Group's customers, as well as its competitive environment may continue to have a material adverse effect on NWM NV Group's business, results of operations and outlook*" and "*NWM Group (including NWM NV Group) may not be able to successfully implement the ongoing NWM Refocusing and it may not achieve its targets and NWM Group*

*(including NWM NV Group) may not ultimately result in a viable, competitive business"* for other risks that may negatively affect NWM NV Group's ability to achieve its strategy and meet its targets.

A number of factors, including the economic and other effects of the COVID-19 pandemic, may impact NWM NV's ability to maintain its current CET1 ratio targets, including impairments, the extent of organic capital generation or the destruction and evolution of RWAs. NWM NV may incur disposal losses as part of the process of exiting positions to reduce RWAs. Some of these losses may be recognised ahead of the actual disposals and the losses overall which may be higher than currently anticipated.

NWM NV Group's ability to meet its planned reductions in annual costs may vary considerably from year to year. Furthermore, the focus on meeting balance sheet and cost reduction targets may result in limited investment in other areas which could affect NWM NV Group's long-term product offering or competitive position and its ability to meet its other targets, including those related to customer satisfaction.

Should NWM NV's income be adversely affected due to transfer pricing factors, or should it be unable to meet its targets or generate a sustainable return, there may be an adverse impact on NWM NV Group's profitability and impact its viability.

In addition, challenging trading conditions may have an adverse impact on NWM NV Group's business and may adversely affect its ability to meet its targets and expectations and successfully execute its strategy and become a viable, competitive or profitable banking business. There is a risk that NWM NV Group's strategy may not be successfully executed, that it will not meet its targets and expectations, or that it will not be a viable, competitive or profitable banking business.

***NWM Group has undergone significant structural and other changes, including as a result of the UK ring-fencing regime, acquisition of the Issuer and the implementation of NatWest Group's Purpose-led strategy (including the ongoing NWM Refocusing) and may continue to be subject to significant structural and other changes, including as a result of asset or other transfers within or between NatWest Group entities.***

Prior to the implementation of the UK ringfencing regime, NWM Plc (NWM NV being a wholly-owned subsidiary of NWM Plc) was NatWest Group's principal operating subsidiary. As a result of the implementation of the UK ring-fencing regime and the acquisition of NWM NV, NWM Plc is now the principal operating company for most of NatWest Group's operations, including NWM NV Group, outside the ring-fence (excluding RBS International). The implementation of the UK ring-fencing regime had a significant impact on NWM Plc and NWM NV and required them to adapt their strategy, structure and business model and adopt processes and structures for, among other things, financial reporting, risk management and corporate governance. Ongoing compliance with the UK ring-fencing rules is required.

NatWest Group is currently in the process of implementing its Purpose-led Strategy, which includes the NWM Refocusing. The implementation of this strategy has required and is expected to continue to require changes to the business and operations of NWM Group and NWM NV Group in the medium and long term and entails material execution, commercial and operational risks for NWM NV Group. Additional changes to NWM NV Group's business and structure may be required. See also '*NatWest Group is in the process of implementing its Purpose-led Strategy, which requires changes in the business and strategy of NWM Group and NWM NV Group, and entails material execution, commercial and operational risks for NWM NV Group*' and '*NWM Group (including NWM NV Group) may not be able to successfully implement the ongoing NWM Refocusing and it may not achieve its targets and NWM Group (including NWM NV Group) may not ultimately result in a viable, competitive business*'.

NWM NV Group has implemented a shared services model with the ring-fenced entities for certain services, the execution of which is subject to various internal and external factors and risks, including the implementation of the NWM Refocusing. Moreover, NWM NV Group has entered into revenue share agreements and cost recharge agreements with some entities within NatWest Group's ring-fenced sub-group

(including NatWest Bank Plc and Ulster Bank Ireland DAC) as well as with a non-ring-fenced entity (RBS International). It has also entered into certain transfer pricing arrangements, funded guarantee agreements and revenue sharing agreements with NWM Plc in relation to certain EEA customer transfers and Western European transfers. See also "*NWM Group, including NWM NV Group, may not meet the targets it communicates to the market, generate returns or implement its strategy effectively*".

Following NWM Plc's acquisition of RBSH and its wholly-owned subsidiary, the Issuer, in 2019, these entities are now part of NWM Group, introducing additional risks, including in respect of: foreign exchange exposure, counterparty and borrower risk, Brexit risk (due to potential changes in regulatory approach following Brexit), operational and business risk. There can be no certainty that NWM NV Group will be a viable, competitive or profitable banking business.

***NWM NV is NatWest Group's banking and trading entity located in The Netherlands. NWM NV has recently repurposed its banking licence, and NWM NV Group may be subject to further changes.***

As part of NatWest Group's strategy, NWM NV is NatWest Group's banking and trading entity located in The Netherlands serves EEA customers, and became a NWM Plc subsidiary in November 2019. The banking licence of NWM NV was repurposed for which purpose a declaration of non-objection (DNO) was received from DNB. Approval from DNB is required for material changes to the NWM NV's operating model. In addition, although the head office for NWM NV is located in Amsterdam, the NWM NV Group also operates branches in France, Germany, Ireland, Italy, Spain and Sweden.

As a subsidiary of NWM Plc (and ultimately NatWest Group plc), NWM NV utilises a number of NWM Group and NatWest Group systems, policies and frameworks (via a shared services model) including in relation to: technology (including innovation) and network infrastructure, marketing, risk frameworks, financial accounting systems, reporting, on-boarding processes, model development and validation, certain administrative and legal services and governance. In addition, the products that NWM NV offers are based on those offered by NWM Plc. As such, any changes made to systems, policies, frameworks or products of NatWest Group or NWM Group may have a corresponding adverse effect on NWM NV.

A number of the factors described above are outside the control of NWM NV, and should changes be made, there may be a material and adverse impact on NWM NV's profitability.

***NWM NV may not meet the prudential regulatory requirements for capital and liquidity.***

NWM NV Group is required by DNB to maintain adequate financial resources. Adequate capital also gives NWM NV Group financial flexibility in the face of turbulence and uncertainty in the global economy and specifically in its core markets in The Netherlands, UK and in the EU.

NWM NV's target CET1 ratio is based on expected regulatory requirements, internal modelling and risk appetite (including under stress), taking into account potential transfers of EEA clients from NWM Plc and NWB Plc to NWM NV due to Brexit. As at 30 June 2021, NWM NV's CET1 ratio (on a consolidated basis) was 24.8%.

Other factors that could influence NWM NV's CET1 ratio include, amongst other things:

- a depletion of NWM NV's capital resources through losses (which would in turn impact retained earnings), revenue attrition, increased liabilities, sustained periods of low or lower interest rates, reduced asset values resulting in write-downs or reserve adjustments, impairments, changes in accounting policy, accounting charges or foreign exchange movements;
- a change in the quantum of NWM NV's RWAs, stemming from exceeding target RWA levels, the continued implementation of the NWM Refocusing, regulatory adjustments (for example, from additional market risk backtesting exceptions) or foreign exchange movements. An increase in RWAs would lead to a reduction in the CET1 ratio;

- changes in prudential regulatory requirements including the Total Capital Requirement for NWM N.V (as regulated by DNB), including Pillar 2 requirements and regulatory buffers, as well as any applicable scalars;
- further developments of prudential regulation (for example, finalisation of Basel 3 standards), which will impact various areas including the approach to calculating credit risk, market risk, leverage ratio, capital floors and operational risk RWAs, as well as continued regulatory uncertainty on the details thereto;
- further losses (including as a result of extreme one-off incidents such as cyber, fraud or conduct issues) would deplete capital resources and place downward pressure on the CET1 ratio; or
- the timing of planned liquidation, disposal and/or capital releases of legacy entities owned by NWM NV.

See also "*NWM Group (including NWM NV Group) may not be able to successfully implement the ongoing NWM Refocusing and it may not achieve its targets and NWM Group (including NWM NV Group) may not ultimately result in a viable, competitive business.*" for other risks that could have an adverse effect on NWM NV Group's capital position.

Any capital management actions taken under a stress scenario may affect, among other things, NWM NV Group's product offering, its credit ratings, its ability to operate its businesses and pursue its current strategies and strategic opportunities, any of which may negatively impact investor confidence and the value of NWM NV Group's securities. See also "*NWM NV may not manage its capital, liquidity or funding effectively which could trigger the execution of certain management actions or recovery options*" and "*NatWest Group (including the NWM NV) may become subject to the application of statutory stabilisation or resolution powers which may result in, among other actions, the write-down or conversion of the certain Eligible Liabilities (including NWM NV's Eligible Liabilities)*" for other risks that could adversely affect NWM NV Group's capital position, funding and liquidity.

***NWM NV may not be able to adequately access sources of liquidity and funding.***

NWM NV Group is required to access sources of liquidity and funding through deposits and wholesale funding, including debt capital markets and trading liabilities (such as repurchase agreements). The level of deposits and wholesale funding may fluctuate due to factors outside NWM NV Group's control, such as a loss of investor confidence (including in individual NWM NV Group entities, the European banking sector or the banking sector as a whole), sustained low or negative interest rates, increasing competitive pressures for bank funding or the reduction or cessation of deposits and other funding by counterparties, any of which could result in a significant outflow of deposits or reduction in wholesale funding within a short period of time. See also "*NWM NV Group has significant exposure to counterparty and borrower risk*" for risks relating to NWM NV Group's counterparties and borrowers that could negatively affect its liquidity position.

An inability to grow, roll-over, or any material decrease in, NWM NV Group's deposits, short-term wholesale funding and short-term liability financing could, particularly if accompanied by one of the other factors described above, materially affect NWM NV Group's ability to satisfy its liquidity needs.

NWM NV Group engages from time to time in "fee based borrow" transactions whereby collateral (such as government bonds) is borrowed from counterparties on an unsecured basis in return for a fee. This borrowed collateral may be used by NWM NV Group to finance parts of its balance sheet, either in its repo financing business, derivatives portfolio or more generally across its balance sheet. If such "fee based borrow" transactions are unwound whilst used to support the financing of parts of NWM NV Group balance sheet, then unsecured funding from other sources would be required to replace such financing. There is a risk that NWM NV Group would be unable to replace such financing on acceptable terms or at all, which could adversely affect its liquidity position and have a material adverse effect on NWM NV Group's business,



results of operations and outlook. In addition, because the "fee base borrow" transactions are conducted off-balance sheet (due to the collateral being borrowed) investors may find it more difficult to gauge NWM NV Group's creditworthiness, particularly if these transactions were to be unwound in a stress scenario. Any perceived lack of creditworthiness may adversely affect NWM NV Group.

As at 30 June 2021, NWM NV Group reported a liquidity coverage ratio of 226% on a solo basis. If its liquidity position were to come under stress and if NWM NV Group is unable to raise funds through deposits or wholesale funding sources on acceptable terms or at all, its liquidity position could be adversely affected. This would mean that NWM NV Group might be unable to meet deposit withdrawals on demand, or satisfy buy back requests, repay borrowings as they mature, meet its obligations under committed financing facilities, comply with regulatory funding requirements, undertake certain capital and/or debt management activities, or fund new loans, investments and businesses. NWM NV Group may need to liquidate unencumbered assets to meet its liabilities, including disposals of assets not previously identified for disposal to reduce its funding commitments or trigger the execution of certain management actions or recovery options. This could also lead to higher funding costs and/or changes to NWM Group's funding plans. In a time of reduced liquidity, or market stress, NWM NV Group may be unable to sell some of its assets, or may need to sell assets at depressed prices, which in either case could negatively affect NWM NV Group's results.

NWM NV Group independently manages liquidity risk on a stand-alone basis, including through holding its own liquidity portfolio. It has restricted access to liquidity or funding from other NatWest Group entities. As a result, NWM NV's liquidity position could be adversely affected, which may also require unencumbered assets to be liquidated or may result in higher funding costs which may adversely impact NWM NV Group's margins and profitability. NWM NV's management of its own liquidity portfolio and the structure of capital support are subject to operational and execution risk, as NWM NV is required to meet its own liquidity and capital requirements.

The risks described in the paragraphs above may have a negative effect on NWM NV Group's access to liquidity and funding, which could mean that NWM NV Group is required to adapt its funding plan and could adversely affect NWM NV Group.

***NWM NV may not manage its capital, liquidity or funding effectively which could trigger the execution of certain management actions or recovery options.***

Under the EU Bank Recovery and Resolution Directive ("**BRRD**"), as implemented in The Netherlands, NWM NV Group must maintain a recovery plan acceptable to its regulator, such that a breach of NWM NV's applicable capital or leverage requirements would trigger consideration of NWM NV's recovery plan, and in turn may prompt consideration of NatWest Group's recovery plan. If, under stressed conditions, the capital or leverage ratio were to decline, there are a range of management actions and recovery options (focused on risk reduction and mitigation) that NWM NV could undertake that may or may not be sufficient to restore adequate capital and leverage ratios. Additional management options relating to existing capital issuances, asset or business disposals, capital payments and dividends could also be undertaken to support NWM NV's capital and leverage requirements. NatWest Group may also address a shortage of capital in NWM NV by providing parental support to NWM NV, subject to evidence that the conditions set out in Article 23 of the BRRD, as implemented into Dutch law in article 3:301 and 3:305 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*, the "**FMSA**") have been met. The NatWest Group's (and NWM NV's) regulator may also request that the NWM NV Group carry out additional capital management actions. The Bank of England has identified single point-of-entry as the preferred resolution strategy for NatWest Group. However, under certain conditions set forth in the BRRD, as implemented by the FMSA, as the Dutch resolution authority, DNB also has the power to 'bail-in' certain securities of the NWM NV Group, which may include any Notes, without further action at the NatWest Group level.

Any capital management actions taken under a stress scenario may affect, among other things, NWM NV Group's product offering, credit ratings, ability to operate its businesses and pursue its current strategies and

strategic opportunities as well as negatively impacting investor confidence and the value of NWM NV Group's securities. See also "*NatWest Group (including NWM NV) may become subject to the application of statutory stabilisation or resolution powers which may result in, among other actions, the write-down or conversion of certain Eligible Liabilities (including NWM NV's Eligible Liabilities)*" for other risks that may adversely affect the value of NWM NV Group's securities. In addition, if NWM NV's liquidity position were to be adversely affected, this may require unencumbered assets to be liquidated or may result in higher funding costs which may adversely impact NWM NV Group's margins and profitability.

***Any reduction in the credit rating assigned to NatWest Group plc, any of its subsidiaries (including NWM Plc or NWM NV) or any of their respective debt securities could adversely affect the availability of funding for NWM NV Group, reduce NWM NV Group's liquidity position and increase the cost of funding.***

Rating agencies regularly review NatWest Group plc, NWM Plc, NWM NV and other NatWest Group entity credit ratings and outlook, which could be negatively affected by a number of factors that can change over time, including the credit rating agency's assessment of NWM NV Group's strategy and management's capability and role within the NatWest Group; NWM NV Group's financial condition including in respect of profitability, asset quality, capital, funding and liquidity; the level of political support for the industries in which NWM NV Group operates; the implementation of structural reform; the legal and regulatory frameworks applicable to NWM NV Group's legal structure; business activities and the rights of its creditors; changes in rating methodologies; changes in the relative size of the loss-absorbing buffers protecting bondholders and depositors; the competitive environment, political and economic conditions in NWM NV Group's key markets, including the impact of the COVID-19 pandemic, Brexit and any further Scottish independence referendum; and any reduction of the UK's sovereign credit rating and market uncertainty. See also "*NatWest Group is in the process of implementing its Purpose-led Strategy, which requires changes in the business and strategy of NWM Group and NWM NV Group, and entails material execution, commercial and operational risks for NWM NV Group*" for risks that could adversely affect the amount of capital allocated to NWM Group (including NWM NV Group) its cost base.

In addition, credit ratings agencies are increasingly taking into account sustainability-related factors, including climate, environmental, social and governance related risk, as part of the credit ratings analysis, as are investors in their investment decisions.

Any reductions in the credit ratings of NatWest Group plc, NWM Plc, NWM NV or of certain other NatWest Group entities, including, in particular, downgrades below investment grade, or a deterioration in the capital markets' perception of NWM NV Group's financial resilience could significantly affect NWM NV Group's access to money markets, reduce the size of its deposit base and trigger, among others, additional collateral requirements in derivatives contracts, which could adversely affect NWM NV Group's (and, in particular, NWM NV's) cost of funding and its access to capital markets and could limit the range of counterparties willing to enter into transactions with NWM NV Group (and, in particular, NWM NV). This could in turn adversely impact its competitive position and threaten the prospects of NWM NV Group in the short to medium-term.

***NWM NV Group operates in markets that are highly competitive, with increasing competitive pressures and technology disruption.***

The market for international banking, investment banking and trading services is highly competitive, and competition may intensify in response to the economic effects of the COVID-19 pandemic and other changes. These include evolving customer behaviour, technological changes, competitor behaviour, new entrants to the market, industry trends resulting in increased disaggregation or unbundling of financial services, the impact of regulatory actions and other factors. Innovations such as biometrics, artificial intelligence, the cloud, blockchain, and quantum computing may also rapidly facilitate industry transformation.

Increasingly many of the products and services offered by NWM NV Group are, and will become, technology intensive and NWM NV Group's ability to develop such services (which also comply with applicable and evolving regulations) has become increasingly important to retaining and growing NWM NV Group's client businesses across its geographical footprint. NWM NV Group's innovation strategy (which is based on NWM Group's strategy, and which includes investment in its IT capability intended to improve its core infrastructure and client interface capabilities as well as investments and partnerships with third party technology providers) may not allow NWM NV Group to continue to grow such services in the future. Moreover, certain of NWM NV Group's current or future competitors may be more successful in implementing innovative technologies for delivering products or services to their clients.

Furthermore, NWM NV Group's competitors may be better able to attract and retain clients and key employees and may have access to lower cost funding and/or be able to attract deposits or provide investment banking services on more favourable terms than NWM NV Group. As mentioned above, NWM NV operates a shared services model in relation to technology and innovation. Although NWM NV Group invests in new technologies and participate in industry and research-led initiatives aimed at developing new technologies, such investments may be insufficient or ineffective, especially given the focus on its cost savings targets. This may limit additional investment in areas such as financial innovation and therefore could affect NWM NV Group's offering of innovative products or technologies for delivering products or services to clients and its competitive position. NWM Group and NWM NV Group may also fail to identify future opportunities or derive benefits from disruptive technologies in the context of rapid technological innovation, changing customer behaviour and growing regulatory demands. Furthermore, the development of innovative products depends on NWM Group and NWM NV Group's ability to produce underlying high quality data, failing which its ability to offer innovative products may be compromised.

If NWM NV Group is unable to offer competitive, attractive and innovative products that are also profitable and timely, it will lose market share, incur losses on some or all of its activities and lose opportunities for growth. In this context, NWM NV Group is investing in the automation of certain solutions and interactions within its customer-facing businesses, including through artificial intelligence. Such initiatives may result in operational, reputational and conduct risks if the technology used is defective, or is not fully integrated into NWM NV Group's current solutions. There can be no certainty that such initiatives will deliver the expected cost savings and investment in automated processes will likely also result in increased short-term costs for NWM NV Group.

In addition, the implementation of the NWM Refocusing and NatWest Group's Purpose-led Strategy (including NatWest Group's acquisitions, divestments, reorganisations, restructurings, partnerships and its climate ambition), cost-reduction measures, as well as employee remuneration constraints, may also have an impact on its ability to compete effectively and intensified competition from incumbents, challengers and new entrants could affect NWM NV Group's ability to provide satisfactory returns.

Moreover, activist investors have increasingly become engaged and interventionist in recent years, which may pose a threat to NatWest Group's strategic initiatives. Furthermore, continued consolidation or technological or other developments in certain sectors of the financial services industry could result in NWM NV Group's remaining competitors gaining greater capital and other resources, including the ability to offer a broader range of products and services and geographic diversity, or the emergence of new competitors, each of which can adversely affect NWM NV Group's business and results of operations.

***NWM NV Group is reliant on access to the capital markets to meet its funding requirements. The inability to do so may adversely affect NWM NV Group.***

NWM NV Group's is reliant on frequent access to the capital markets for funding, and on terms that are acceptable to it. Such access entails execution risk and could be impeded by a number of internal or external factors, including those referred to above in "*NWM NV Group faces market risk as a result of increased political and economic risks and uncertainty in the UK, European and global markets*", "*Continuing*

*uncertainty regarding the effects of the UK's withdrawal from the EU may continue to adversely affect NWM Plc (NWM NV's parent company) and its operating environment and NatWest Group plc (NWM NV's ultimate parent company) and may have an indirect effect on NWM NV Group" and "Any reduction in the credit rating and/or outlooks assigned to NatWest Group plc, any of its subsidiaries (including NWM Plc or NWM NV) or any of their respective debt securities could adversely affect the availability of funding for NWM NV Group, reduce NWM NV Group's liquidity position and increase the cost of funding".*

In addition, NWM NV receives capital and funding from NatWest Group plc and NWM NV is therefore reliant on the willingness of NatWest Group plc to fund its internal capital targets. NWM NV Group has set target levels for different tiers of capital as percentages of its RWAs, being a minimum CET1 capital ratio of more than 15% and a minimum CRR leverage ratio of more than 4%. The level of capital and funding required for NWM NV to meet its internal targets is therefore a function of the level of RWAs and its leverage exposure in NWM NV and this may vary over time.

Any inability of NWM NV Group to adequately access the capital markets, to manage its balance sheet in line with assumptions in its funding plans, may adversely affect NWM NV Group's, such that NWM NV Group may not constitute a viable banking business and/or NWM NV may fail to meet its regulatory capital requirements (at present, NWM NV does not yet have its own MREL requirements).

***NWM NV Group may be adversely affected if NatWest Group fails to meet the requirements of regulatory stress tests.***

NatWest Group is subject to annual stress tests by its regulator in the UK and is also subject to stress tests by European regulators with respect to NatWest Group plc, NWM NV and Ulster Bank Ireland DAC. Stress tests are designed to assess the resilience of banks to potential adverse economic or financial developments and ensure that they have robust, forward-looking capital planning processes that account for the risks associated with their business profile. If the stress tests reveal that a bank's existing regulatory capital buffers are not sufficient to absorb the impact of the stress, then it is possible that the bank may need to take action to strengthen its capital position.

Failure by NatWest Group to meet its quantitative and qualitative requirements of the stress tests set forth by its UK regulators or those elsewhere may result in: NatWest Group's regulators requiring NatWest Group to generate additional capital, reputational damage, increased supervision and/or regulatory sanctions and/or loss of investor confidence.

***NWM NV Group has significant exposure to counterparty and borrower risk.***

NWM NV Group has exposure to many different industries, customers and counterparties, and risks arising from actual or perceived changes in credit quality and the recoverability of monies due from borrowers and other counterparties are inherent in a wide range of NWM NV Group's businesses. These are particularly relevant for those businesses for which the concentration of client income is heavily weighted towards a specific geographic region, industry or client base. NWM NV Group is exposed to credit risk if a customer, borrower or counterparty defaults, or under IFRS 9 (Financial Instruments) ("**IFRS 9**"), suffers a sufficiently significant deterioration of credit quality such that, under SICR ('significant increases in credit risk') rules, it moves to Stage 2 for impairment calculation purposes. Credit risk may arise from a variety of business activities, including, but not limited to: extending credit to clients through various lending commitments; entering into swap or other derivative contracts under which counterparties have obligations to make payments to NWM NV Group (including un-collateralised derivatives); providing short or long-term funding that is secured by physical or financial collateral whose value may at times be insufficient to fully cover the loan repayment amount; posting margin and/or collateral and other commitments to clearing houses, clearing agencies, exchanges, banks, securities firms and other financial counterparties; and investing and trading in securities and loan pools, whereby the value of these assets may fluctuate based on realised or expected defaults on the underlying obligations or loans. As of year-end 2020, the RWAs related to counterparty credit

risk were EUR 1.6 billion, while RWAs for credit risk and the undrawn facilities were EUR 2.4 billion. NWM NV Group's on balance sheet loans to customers were equal to EUR 4.6 billion as of year-end 2020.

Any negative developments in the activities listed above may negatively impact NWM NV Group's clients and credit exposures, which may, in turn, adversely impact NWM NV Group's profitability.

The credit quality of NWM NV Group's borrowers and other counterparties is impacted by prevailing economic and market conditions and by the legal and regulatory landscape in Europe in general, and any deterioration in such conditions or changes to legal or regulatory landscapes could worsen borrower and counterparty credit quality and consequently adversely impact NWM NV Group's ability to enforce contractual security rights.

Concerns about, or a default by, a financial institution could lead to significant liquidity problems and losses or defaults by other financial institutions, since the commercial and financial soundness of many financial institutions is closely related and inter-dependent as a result of credit, trading, clearing and other relationships. Any perceived lack of creditworthiness of a counterparty may lead to market-wide liquidity problems and losses for NWM NV Group. This systemic risk may also adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which NWM NV Group interacts on a daily basis. See also "*NWM NV Group is reliant on access to the capital markets to meet its funding requirements*" for other risks that could have an adverse effect on NWM NV Group's access to funding.

As a result of the above, borrower and counterparty credit quality may cause accelerated impairment charges under IFRS 9, increased repurchase demands, higher costs, additional write-downs and losses for NWM NV Group and an inability to engage in routine funding transactions.

NWM NV Group is exposed to the financial industry, including sovereign debt securities, banks, financial intermediation providers (including providing facilities to financial sponsors and funds, backed by assets or investor commitments) and securitised products (typically senior lending to special purpose vehicles backed by pools of financial assets). Due to NWM NV Group's exposure to the financial industry, it also has exposure to shadow banking entities (ie, entities which carry out banking activities outside a regulated framework). Recently, there has been increasing regulatory focus on shadow banking. In particular, the European Banking Authority Guidelines (EBA/GL/2015/20) require NWM NV Group to identify and monitor its exposure to shadow banking entities, implement and maintain an internal framework for the identification, management, control and mitigation of the risks associated with exposure to shadow banking entities, and ensure effective reporting and governance in respect such exposure. If NWM NV Group is unable to properly identify and monitor its shadow banking exposure, maintain an adequate framework, or ensure effective reporting and governance in respect of shadow banking exposure, this may adversely affect the financial condition and prospects of NWM NV Group.

***NWM NV Group could incur losses or be required to maintain higher levels of capital as a result of limitations or failure of various models.***

Given the complexity of NWM NV Group's business, strategy and capital requirements, NWM NV Group relies on analytical models for a wide range of purposes, including to manage its business, assess the value of its assets and its risk exposure, as well as to anticipate capital and funding requirements (including to facilitate NatWest Group's mandated stress testing). In addition, NWM NV Group utilises models for valuations, credit approvals, calculation of loan impairment charges on an IFRS 9 basis, financial reporting and for financial crime and fraud risk management. NWM NV Group's models, and the parameters and assumptions on which they are based, are periodically reviewed and updated to maximise their accuracy.

As models analyse scenarios based on assumed inputs and a conceptual approach, model outputs therefore remain uncertain and should not be relied on. Failure of models (including due to errors in model design) or new data inputs, including to accurately reflect changes in the micro and macroeconomic environment in

which NWM NV Group operates (for example to account for the impact of the COVID-19 pandemic), to capture risks and exposures at the subsidiary level, and to update for changes to NWM NV Group's current business model or operations, or for findings of deficiencies by NatWest Group, NWM Group or NWM NV Group's regulators (including as part of NatWest Group's mandated stress testing) may result in increased capital requirements, regulatory actions and/or require management action. NWM NV Group may also face adverse consequences as a result of actions based on models that are poorly developed, implemented or used, models that are based on inaccurate or compromised data or as a result of the modelled outcome being misunderstood, or by such information being used for purposes for which it was not designed.

***NWM NV Group's financial statements are sensitive to underlying accounting policies, judgments, estimates and assumptions.***

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses, exposures and RWAs. While estimates, judgments and assumptions take into account historical experience and other factors (including market practice and expectations of future events that are believed to be reasonable under the circumstances), actual results may differ due to the inherent uncertainty in making estimates, judgments and assumptions (particularly those involving the use of complex models).

The accounting policies deemed critical to NWM NV Group's results and financial position, based upon materiality and significant judgments and estimates, which include loan impairment provisions, are set out in "Critical accounting policies and key sources of estimation uncertainty" on page 59 of the 2020 Financial Statements. New accounting standards and interpretations that have been issued by the International Accounting Standards Board but which have not yet been adopted by NWM NV Group are discussed in "Accounting developments" on page 59 of the 2020 Financial Statements.

***Changes in accounting standards may materially impact NWM NV Group's financial results.***

Changes in accounting standards or guidance by accounting bodies or in the timing of their implementation, whether immediate or foreseeable, could result in NWM NV Group having to recognise additional liabilities on its balance sheet, or in further write-downs or impairments to its assets and could also significantly impact the financial results, condition and prospects of NWM NV Group.

NWM NV Group's trading assets amounted to EUR 4.3 billion as at 30 June 2021. The valuation of financial instruments, including derivatives, measured at fair value can be subjective, in particular where models are used which include unobservable inputs. Generally, to establish the fair value of these instruments, NWM NV Group relies on quoted market prices or, where the market for a financial instrument is not sufficiently credible, internal valuation models that utilise observable market data. In certain circumstances, the data for individual financial instruments or classes of financial instruments utilised by such valuation models may not be available or may become unavailable due to prevailing market conditions. In these circumstances, NWM NV Group's internal valuation models require NWM NV Group to make assumptions, judgments and estimates to establish fair value, which are complex and often relate to matters that are inherently uncertain. Any of these factors could require NWM NV Group to recognise fair value losses, which may have a material adverse effect on NWM NV Group's income generation and financial position.

***NatWest Group (including NWM NV) may become subject to the application of statutory stabilisation or resolution powers which may result in, among other actions, the write-down or conversion of certain Eligible Liabilities (including NWM NV's Eligible Liabilities).***

The BRRD establishes a common approach within the EU to the recovery and resolution of banks. In the UK and The Netherlands the BRRD has been implemented via national legislation which grants powers to a national resolution authority ("NRA"). In Europe (excluding the UK) the BRRD is also (partly) implemented by a directly binding regulation which established a Single Resolution Mechanism ("SRM") and a single EU Resolution Board ("SRB") with powers which exceed the powers of the EU NRAs.

#### *United Kingdom – NatWest Group plc and its UK affiliates*

HM Treasury, the Bank of England and the UK Prudential Regulation Authority ("**PRA**") and Financial Conduct Authority ("**FCA**") ("**UK Authorities**") are granted substantial powers to resolve and stabilise UK-incorporated financial institutions.

Five stabilisation options exist: (i) transfer of all of the business of a relevant entity or the shares of the relevant entity to a private sector purchaser; (ii) transfer of all or part of the business of the relevant entity to a 'bridge bank' wholly-owned by the Bank of England; (iii) transfer of part of the assets, rights or liabilities of the relevant entity to one or more asset management vehicles for management of the transferor's assets, rights or liabilities; (iv) the 'Bail-in Tool' consisting of the write-down, conversion, transfer, modification, or suspension of the relevant entity's equity, capital instruments and liabilities ('Eligible Liabilities'); and (v) temporary public ownership of the relevant entity (options (i) to (v) above being referred to as the 'Resolution Stabilisation Tools'). These Resolution Stabilisation Tools may be applied to a UK bank or investment firm and certain of its affiliates (which would include NatWest Group plc as the parent company), where certain conditions are met (such as, whether the firm is failing or likely to fail, or whether it is reasonably likely that action will be taken (outside of resolution) that will result in the firm no longer failing or being likely to fail). Moreover, there are modified insolvency and administration procedures for relevant entities, and the UK Authorities have the power to modify or override certain contractual arrangements in certain circumstances and amend the law for the purpose of enabling their powers to be used effectively and may apply promulgate provisions with retrospective applicability.

Under the Banking Act, the UK Authorities are generally required to have regard to specified objectives in exercising the powers provided for by the Banking Act. One of the objectives (which is required to be balanced as appropriate with the other specified objectives) refers to the protection and enhancement of the stability of the financial system of the UK. Moreover, the 'no creditor worse off' safeguard contained in the Banking Act (which provides that creditors' losses in resolution should not exceed those that would have been realised in an insolvency of the relevant institution) may not apply in relation to an application of the separate write-down and conversion power relating to capital instruments under the Banking Act, in circumstances where a stabilisation power is not also used; holders of debt instruments which are subject to the power may, however, have ordinary shares transferred to or issued to them by way of compensation.

Uncertainty exists as to how the UK Authorities may exercise their powers including the determination of actions undertaken in relation to the ordinary shares and other securities issued by NatWest Group plc (and certain of its affiliates) and which may depend on factors outside of NatWest Group plc's control. Moreover, the Banking Act provisions remain untested in practice.

#### *The Netherlands – NWM NV*

The special resolution regime measures set out in the BRRD were implemented into Dutch law in 2015. The BRRD, and the SRM, provide that DNB and the SRB are the resolution authorities responsible for a resolution in relation to NWM NV (the "**NV Authorities**", and together with the UK Authorities, the "**Authorities**") with broad powers to implement resolution measures with respect to banks incorporated in The Netherlands which meet the conditions for resolution, which may include (without limitation) measures analogous to the Resolution Stabilisation Tools (options set out at points (i) to (v) above under the Banking Act). These powers and tools are designed to be used prior to the point at which any insolvency proceedings with respect to NWM NV could have been initiated.

In addition to the resolution powers of the NV Authorities described above, the Dutch Minister of Finance may, with immediate effect, take measures or expropriate assets and liabilities of, claims against or securities issued by or with the consent of NWM NV, if in the Minister of Finance's opinion the stability of the financial system is in serious and immediate danger as a result of the situation in which the firm finds itself (the "**Minister of Finance Powers**").

There remains uncertainty regarding the ultimate nature and scope of these powers, and any exercise of the resolution regime powers by the NV Authorities or the Minister of Finance Powers by the Dutch Minister of Finance may adversely affect holders of NWM NV's Eligible Liabilities that fall within the scope of such powers.

If NWM NV Group (or any other NatWest Group entity) is at or is approaching the point of non-viability such that regulatory intervention is required, any exercise of the resolution regime powers by the Authorities may adversely affect holders of NWM NV Group's Eligible Liabilities that fall within the scope of resolution regime powers. This may result in various actions being undertaken in relation to the NWM N.V Group and any Eligible Liabilities of NWM NV Group, including write-down, conversion, transfer or modification which may adversely affect the financial results, condition and prospects of NWM NV Group.

***NatWest Group is subject to Bank of England oversight in respect of resolution, and NWM NV Group could be adversely affected should the Bank of England deem NatWest Group's preparations to be inadequate.***

NatWest Group is subject to regulatory oversight by the Bank of England, and is required (under the PRA rulebook) to carry out an assessment of its preparations for resolution, submit a report of the assessment to the PRA, and disclose a summary of this report. The initial report is due to be submitted to the PRA on October 2021 and the Bank of England's assessment of NatWest Group's preparations is scheduled to be released on 10 June 2022. The form and substance of the June publication is yet to be established.

NatWest Group has dedicated significant resources towards the preparation of NatWest Group for a potential resolution scenario. However, if the assessment reveals that NatWest Group is not adequately prepared to be resolved, or does not have adequate plans in place to meet resolvability requirements by 1 January 2022, NatWest Group may be required to take action to enhance its preparations to be resolvable, resulting in additional cost and the dedication of additional resources. These actions may adversely affect NatWest Group and/or NWM Group, resulting in restrictions on maximum individual and aggregate exposures, a requirement to dispose of specified assets, a requirement to cease carrying out certain activities and/or maintaining a specified amount of MREL. This may also result in reputational damage and/or loss of investor confidence.

## **5. Climate and sustainability-related risks**

***NWM NV Group and its customers may face significant climate-related risks, including in transitioning to a low-carbon economy, which may adversely impact NWM NV Group.***

Climate-related risks and uncertainties are subject to increasing national and international prudential and regulatory, political and societal scrutiny.

Financial and non-financial risks from climate change arise through physical and transition risks. Furthermore, NWM NV Group may face a variety of climate-related legal risks, both physical and transition, from potential litigation and contract liability. See also "*NWM NV Group may be subject to potential climate, environmental and other sustainability-related litigation, enforcement proceedings, investigations and conduct risk*". It is very difficult to predict how and when the physical risks from climate change will manifest. They include more extreme and frequent weather events, rising sea levels, flooding and subsidence, heat waves and long-lasting wildfires, reductions in biodiversity and resource scarcity. Damage to NWM NV customers' properties and operations could disrupt business, impair asset values and negatively impact creditworthiness leading to increased default rates, delinquencies, writeoffs and impairment charges in NWM NV Group's portfolios. In addition, NWM NV Group may itself suffer damage to premises and disruption to operations leading to increased costs and negatively affecting business continuity. The timing and pace of the transition to a lowcarbon economy is also uncertain and may be near term, gradual and orderly or delayed, rapid and disorderly. Widespread levels of adjustment to a low-carbon economy across all sectors of the economy and markets in which NWM NV Group operates will be required by several



multilateral agreements, in particular the 2015 Paris Agreement and the Dutch Government's commitment to cutting The Netherlands' carbon emissions with 95% by 2050, compared to 1990 levels, and by proposals stemming from the EU Sustainable Finance Action Plan. The impact of the extensive commercial, technological, policy and regulatory changes required to achieve transition remains uncertain, but it is expected to be significant and may be disruptive across the global economy and markets. Some sectors within NWM NV Group's customer base (including, for example, oil and gas, automotive and transport) are expected to be particularly impacted. If NWM NV Group fails to timely adapt its business and operating model to the climate-related risks and opportunities and changing market expectations, or to appropriately identify, measure, manage and mitigate climate change related physical and transition risks and opportunities that NWM NV Group and its customers face, NWM NV Group's reputation, business, results of operations and outlook may be impacted adversely.

***NatWest Group's Purpose-led Strategy includes one area of focus on climate change that is likely to require material changes to the business and operating model of NWM NV Group and entails significant execution risk.***

NatWest Group has announced its ambition to become the leading bank on climate in the UK and ROI and set itself the challenge to at least halve the climate impact of its financing activity by 2030 ("**Climate Ambition**") and to do what is necessary to achieve alignment with the 2015 Paris Agreement. NatWest Group's Climate Ambition may require NWM NV Group to significantly reduce its own financed emissions and its exposure to customers that do not align with a transition to a low-carbon economy or do not have a credible transition plan. Those reductions, together with the active management of climate-related risks and regulatory, policy and market changes, are likely to necessitate material and accelerated changes to NWM NV Group's business and operating model. This may have a material adverse effect on NWM NV Group's ability to achieve financial targets and generate sustainable returns. To understand and measure the climate impact of emissions related to NWM NV Group's financing activities and alignment to the 2015 Paris Agreement objectives will require significant resources. There is currently no single standard approach or methodology exist to measure such emissions and to provide a scenario-based model for alignment with the objectives of the 2015 Paris Agreement and the data, methodologies and assumptions on which emissions estimates and targets are based are also subject to change. Accordingly, NatWest Group, including NWM NV Group, must continue to define and develop its approach to setting and publishing comprehensive sectorspecific and climate impact scenario-based targets and plans by 2022 and to benchmarking its climate impact to measure and demonstrate its progress towards its Climate Ambition by 2030. NWM NV Group's ability to contribute to achieving NatWest Group's Climate Ambition through its own specific targets and commitments will depend greatly on many external factors such as the macroeconomic environment, the extent and pace of climate change, including the timing and manifestation of physical and transition risks and the effectiveness of actions of governments, legislators, regulators, businesses, investors, customers and other stakeholders to adapt and/or mitigate the impact of climate-related risks. See also "*NatWest Group is in the process of implementing its Purpose-led Strategy, which requires changes in the business and strategy of NWM NV Group, and entails material execution, commercial and operational risks for NWM NV Group*". Any delay or failure to meet those climate-related targets and commitments and may have a material adverse impact on NWM NV Group's reputation, business, results, outlook, market and competitive position.

***Any failure by NWM NV Group to implement effective and compliant climate change resilient systems, controls and procedures could adversely affect NWM NV Group's ability to manage climate-related risks.***

Legislative and regulatory authorities in the UK and in the EU are publishing expectations as to how banks should prudently manage and transparently disclose climate-related and environmental risks. In November 2020, the ECB published its 'Guide on climate-related and environmental risks' and in April 2019, the PRA published a supervisory statement 'Enhancing banks' and insurers' approaches to managing the financial risks from climate change' (the 'SS 3/19').

In April 2020, DNB published its 'Good Practices on Integration of Climate Risks for Banks' document in which it sets out the supervisory expectation that banks (including NWM NV) should incorporate climate-related risks into their governance and risk management arrangements in line with the principle of proportionality. In order to achieve this, DNB provides several non-binding 'good practices' that banks could adhere to, including: (1) incorporating an organisation-wide strategic approach toward climate-related risks, along with the integration of climate-related considerations in policy framework; (2) embedding the identification, assessment, mitigation and monitoring of climate change related risks in banks' risk management framework; and (3) disclosing the carbon footprint of lending and investment portfolio in the annual report. In addition, DNB has confirmed that it will perform more stress tests to assess the impact of climate change on the financial sector.

In June 2020, the AFM published its position paper on sustainability. In this position paper the AFM describes what it expects from market parties when it comes to sustainability and how the AFM will be supervising this. The AFM confirms, amongst others, that: (1) a sustainable economy and society is a supervisory priority of the AFM and is increasingly becoming an integral part of its supervision strategy; and (2) it expects market participants to integrate sustainability aspects in a responsible and careful manner in their financial products and services.

The Bank of England will use the 2021 biennial exploratory scenario launching in June 2021 to stress test the resilience of the current business models of the largest banks, insurers and the financial system to the physical and transition risks from climate change under a number of climate scenarios (the 'Climate Biennial Explanatory Scenario' or "CBES"). In December 2020 the Bank of England confirmed that the 2021 CBES will be exploratory in nature and will not be used to set capital requirements. However, in future, regulators may require financial institutions such as NatWest Group (including NWM NV Group) to hold additional capital to enhance their resilience against systemic and/or institution specific vulnerabilities to climate-related risks, including potential asset devaluation shocks.

Any failure of NWM NV Group to fully and timely embed the climate-related risks into its risk management practices in line with applicable legal and regulatory requirements and expectations may have a material and adverse impact on NWM NV Group's regulatory compliance, prudential capital requirements, liquidity position, reputation, business, results of operations and outlook.

***There are significant uncertainties inherent in accurately modelling the impact of climate-related risks.***

Significant risks, uncertainties and variables are inherent in the assessment, measurement and mitigation of climate-related risks. These include data quality gaps and limitations, the pace at which climate science, greenhouse gas accounting standards and carbon capture and other emissions reduction solutions develop. In addition, multiple climate change scenarios dependent on a range of variable factors could unfold over the coming two or three decades, which timeframes are considerably longer than NWM NV Group's historical strategic, financial, resilience and investment planning horizons and which will affect how and when climate-related risks manifest.

As a result, it is very difficult to predict and model the impact of climate-related risks into precise financial and economic outcomes and impacts. Climate-related risks present significant methodological challenges due to their forward-looking nature, the lack of historical testing capabilities, the quality, lack of standardisation and incompleteness of emissions and other climate and sub-sector related data and the immature nature of risk measurement and modelling methodologies. The evaluation of climate-related risk exposure and the development of associated potential risk mitigation techniques largely depend on the choice of climate scenario modelling methodology and the assumptions made.

Risks and uncertainties of climate scenario modelling include (but are not limited to): (1) lack of specialist expertise in banks such that NWM NV Group needs to rely on third party advice, modelling, and data; (2) immaturity of modelling of and data on the impact of climate-related risks on financial assets which will

evolve rapidly in the coming years; (3) the number of variables and forwardlooking nature of climate scenarios which makes them challenging to back test and benchmark; (4) the significant uncertainty as to how the climate will evolve over time, how and when governments, regulators, businesses, investors and customers respond and how those responses impact the economy, asset valuations, land systems, energy systems, technology, policy and wider society.

Capabilities within NWM NV Group to appropriately assess, model and manage climate-related risks are developing. Even when those capabilities are developed, the high level of uncertainty and subjectivity around assumptions, the highly subjective nature of risk measurement and mitigation techniques, and data quality issues may lead to inadequate risk management information and frameworks, ineffective business adaptation or mitigation strategies, which may have a material adverse impact on NWM NV Group's regulatory compliance, reputation, business, results of operations and outlook.

***A failure to adapt NWM NV Group's business strategy, governance, procedures, systems and controls to manage emerging sustainability-related risks and opportunities may have a material adverse effect on NWM NV Group's reputation, business, results of operations and outlook.***

Investors, customers, international organisations, regulators and other stakeholders are increasingly focussing on identification, management and mitigation of 'sustainability-related' risks and opportunities such as environmental (including biodiversity and loss of natural capital); social (such as tackling inequality, inclusion, human rights and working conditions); and governance (such as board diversity, ethics, executive compensation and management structure) and on long term sustainable value creation.

In addition to climate-related risks, sustainability-related risks may also adversely affect economic activity, asset pricing and valuations of issuers' securities and, in turn, the wider financial system and together with climate-related risks, may combine to generate even greater adverse effects. Sustainability-related risks may impact economic activities directly or indirectly and may affect the viability or resilience of business models over the medium to longer term. In addition, sustainability-related risks can trigger further losses stemming directly or indirectly from legal claims (liability risks) and reputational damage as a result of the public, customers, counterparties and/or investors associating NWM NV Group or its customers with adverse sustainability-related issues, as well as exacerbate existing risks. Failure to adapt NWM NV Group's business strategy and to establish and maintain effective governance, procedures, systems and controls to manage emerging sustainability-related risks and opportunities may have a material adverse effect on NWM NV Group's reputation, liquidity position, business, results of operations and outlook.

***Any reduction in the environmental, social and corporate governance (ESG) ratings of NatWest Group (including NWM NV Group) could have a negative impact on NatWest Group's (including NWM NV Group) reputation and on investors' and customers risk appetite.***

Unsolicited ESG ratings from agencies and data providers that rate how NatWest Group (including NWM NV Group) manages environmental, social and governance risks are increasingly influencing investment decisions. Changes to those ESG ratings can arise from factors outside NatWest Group's (including NWM NV Group) control (e.g. change in rating methodology). Any reduction in ESG ratings of NatWest Group could have a negative impact on NWM NV Group's reputation and influence investors' risk appetite for NWM NV Group's and/or its subsidiaries' securities and affect whether customers wish to deal with NWM NV Group.

***Increasing levels of climate, environmental and sustainability-related laws, regulation and oversight may adversely affect NWM NV Group's business and expose NWM NV Group to increased costs of compliance, regulatory sanction and reputational damage.***

There are an increasing number of EU, Dutch and other regulatory and legislative initiatives to address issues around climate, environmental and sustainability risks and opportunities and to promote the transition to a more sustainable low-carbon economy, affecting the financial sector and the real economy. Many focus on

disclosure, developing standardised definitions for green and sustainable criteria of assets and liabilities and integrating climate change and sustainability into decision-making to improve transparency and access to green and sustainable financial products and services. This may significantly impact the services provided by NWM NV Group and its associated credit, market and financial risk profile as well as its recognition of its climate financing activity, in turn adversely affecting NatWest Group's (including NWM NV Group) achievement of its Climate Ambition. In addition, NWM NV Group will continue to be subject to an increasing array of the EU/EEA climate and sustainability-related legal and regulatory requirements, such as the EU Taxonomy and the EU Green Bond Standards published by the European Commission.

For example, DNB and the AFM are also increasingly focused on climate change sustainability have recently announced good practices and supervisory expectations relating to these topics. In addition, NWM NV will be subject to increasing entity wide climate and other nonfinancial disclosures requirements with varying objectives and scopes, including the requirement to provide climate-related disclosures consistent with the Task Force on Climate-related Financial Disclosure "TCFD") recommendations. The FCA will also consult on expanding its proposed new stock exchange listing rules for a wider scope of listed issuers, including NWM Group (the parent of NWM NV Group), as the UK moves towards mandatory TCFD reporting across the UK economy by 2025. NatWest Group (including NWM Group and NWM NV Group) is also participating in various voluntary carbon reporting and other standard setting initiatives for disclosing climate and sustainability-related information.

Compliance with these developing requirements is likely to require NWM NV Group to implement significant changes to its business, operations, internal controls over financial reporting, disclosure controls, modelling capability and risk management systems, which may increase the cost of doing business, entail additional change risk and compliance costs. Failure to implement and comply with these requirements or emerging best practice expectations may have a material adverse effect on NWM NV Group's regulatory compliance and may result in regulatory sanction and reputational damage.

***NWM NV Group may be subject to potential climate, environmental and other sustainability-related litigation, enforcement proceedings, investigations and conduct risk.***

The increasing number of new climate and sustainability-related laws and regulations, growing demand from investors and customers for environmentally sustainable products and services, and regulatory scrutiny exposes financial institutions, including NWM NV Group, to increasing litigation, conduct, enforcement and contract liability risks. Furthermore, there is the risk that shareholders, campaign groups, customers and other interest groups could seek to take legal action against NWM NV Group for financing, underwriting or contributing to climate change and environmental degradation. These potential, litigation, conduct, enforcement and contract liability risks may have a material adverse effect on NWM NV Group's ability to deliver its strategy, reputation, business, results of operations and outlook.

## **6. Operational and IT resilience risk**

***Operational risks (including reliance on third party suppliers and outsourcing of certain activities) are inherent in NWM Group's businesses.***

Operational risk is the risk of loss resulting from inadequate or failed internal processes, procedures, people or systems, or from external events, including legal risks. It has come under increasing regulatory focus in recent years. NWM NV Group operates in many countries, offering a diverse range of products and services supported by 200 employees as at 31 December 2020; it therefore has complex and diverse operations. As a result, operational risks or losses can arise from a number of internal or external factors (including financial crime). These risks are also present when NWM NV Group relies on third-party suppliers or vendors to provide services to it or its clients, as is increasingly the case as NWM NV Group outsources certain activities, including with respect to the implementation of new technologies, innovation and responding to regulatory and market changes.

There is no certainty that the suppliers selected by NWM NV Group deliver on their contractual obligations or that such suppliers are able to provide the functions for which they have been contracted which could adversely affect the operations of NWM NV.

Operational risks continue to be heightened as a result of the implementation of the NWM Refocusing and NatWest Group's Purpose-led Strategy, NWM NV Group's current cost-reduction measures and conditions affecting the financial services industry generally (including Brexit and other geo-political developments) and in particular the legal and regulatory uncertainty resulting therefrom. It is unclear as to how the future ways of working may evolve, including in respect of how working practices may develop, or how NWM NV Group will evolve to best serve its customers. Any of the above may place significant pressure on NWM NV Group's ability to maintain effective internal controls and governance frameworks.

As part of the NWM Refocusing, NWM Group (including NWM NV Group) has materially increased its dependence on NatWest Bank Plc for numerous critical services and operations, including without limitation, property, finance, accounting, treasury risk, regulatory compliance and reporting, human resources, and certain other support and administrative functions. In addition, NWM NV Group has materially increased its dependence on NWM Plc for numerous critical services similar to those outlined above. A failure by NatWest Bank Plc or NWM Plc to adequately supply these services may expose NWM NV Group to critical business failure risk, increased costs and other liabilities. These and any increases in the cost of these services may adversely impact NWM NV Group's business, results of operations and outlook.

The effective management of operational risks is critical to meeting customer service expectations and retaining and attracting client business. Although NWM NV Group has implemented risk controls and mitigation actions, with resources and planning having been devoted to mitigating operational risk, such measures may not be effective in controlling each of the operational risks faced by NWM NV Group. Ineffective management of such risks.

***NWM NV Group is subject to increasingly sophisticated and frequent cyberattacks, which could adversely affect NWM NV Group.***

NWM NV Group experiences a constant threat from cyberattacks across the entire NatWest Group (including NWM NV Group) and against the NatWest Group and the NWM NV Group's supply chain, reinforcing the importance of due diligence and of close working relationship with the third parties on which NWM NV Group relies. NWM NV Group is reliant on technology for its operations, against which there is a constantly evolving series of attacks, that are increasing in terms of frequency, sophistication, impact and severity. NWM NV Group is reliant on NatWest Group and NWM Group for certain technology and network infrastructure. As cyberattacks evolve and become more sophisticated, NatWest Group and NWM Group (and therefore NWM NV Group) are required to continue to invest in additional capability designed to defend against emerging threats. Hostile attempts are made by third parties to gain access to and introduce malware (including ransomware) into NWM NV Group's IT systems, and to exploit vulnerabilities. In 2020, NWM NV Group was subjected to a small number of Distributed Denial of Service ('DDOS') attacks, which are a pervasive and significant threat to the global financial services industry. The focus is to manage the impact of the attacks and sustain availability of services for NWM NV Group's customers.

NWM NV Group has information and cyber security controls in place, which are subject to review on a continuing basis and NatWest Group and NWM Group (and therefore NWM NV Group) continue to invest significant resources in the development and evolution of cyber security controls that are designed to minimise the potential effect of such attacks. However, given the nature of the threat, there can be no assurance that such measures will prevent all attacks in the future. See also "*NWM NV Group's operations are highly dependent on its complex IT systems (including those that enable remote working), and any IT failure could adversely affect NWM NV Group*" for other risks relating to NWM NV Group's IT systems that could have a negative effect on its operations.

Hostile attempts are made by third parties to gain access to, introduce malware (including ransomware) into and exploit vulnerabilities of NWM NV Group's IT systems, and to exploit vulnerabilities. NWM NV Group has information and cyber security controls in place to minimise the impact of any attack, which are subject to review on a continuing basis, but given the nature of the threat, there can be no assurance that such measures will prevent all attacks in the future. See also *"NWM NV Group's operations are highly dependent on its complex IT systems (including those that enable remote working), and any IT failure could adversely affect NWM NV Group"*.

Any failure in the implementation and execution of NatWest Group's and NWM Group's (and therefore NWM NV Group's) cybersecurity policies, procedures or controls, may result in significant financial losses, major business disruption, inability to deliver customer services, or loss of data or other sensitive information (including as a result of an outage) and may cause associated reputational damage. Any of these factors could increase costs (including costs relating to notification of, or compensation for clients and credit monitoring), result in regulatory investigations or sanctions being imposed or may affect NWM NV Group's ability to retain and attract clients. Regulators world-wide continue to recognise cybersecurity as an increasing systemic risk to the financial sector and have highlighted the need for financial institutions to improve their monitoring and control of, and resilience (particularly of critical services) to cyberattacks, and to provide timely notification of them, as appropriate.

Additionally, third parties may also fraudulently attempt to induce employees, customers, third party providers or other users who have access to NWM NV Group's systems to disclose sensitive information in order to gain access to NWM NV Group's data or that of NWM NV Group's clients or employees. Cybersecurity and information security events can derive from groups or factors such as: internal or external threat actors, human error, fraud or malice on the part of NWM NV Group's employees or third parties, including third party providers, or may result from accidental technological failure.

NWM NV Group expects greater regulatory engagement, supervision and enforcement by DNB to continue at a high level in relation to its overall resilience to withstand IT and related disruption, either through a cyberattack or some other disruptive event. Such increased regulatory engagement, supervision and enforcement is uncertain in relation to scope, consequence and pace of change, which could negatively impact NWM NV Group. Due to NWM NV Group's reliance on technology and the increasing sophistication, frequency and impact of cyberattacks, it is likely that such attacks could have a material adverse impact on NWM NV Group.

In accordance with the EU General Data Protection Regulation ("**GDPR**") and EBA Guidelines on ICT and Security Risk Management, NWM NV Group is required to ensure it implements timely appropriate and effective organisational and technological safeguards against unauthorised or unlawful access to data of NWM NV Group, its clients and its employees. In order to meet this requirement, NWM NV Group relies on the effectiveness of its internal policies, controls and procedures to protect the confidentiality, integrity and availability of information held on its IT systems, networks and devices as well as with third parties with whom NWM NV Group interacts. A failure to monitor and manage data in accordance with the GDPR and EBA requirements of the applicable legislation may result in financial losses, regulatory fines and investigations and associated reputational damage. In addition, whilst NWM NV Group takes measures to prevent, detect and minimise attacks, NWM NV Group's systems, and those of third party providers, are subject to frequent cyberattacks.

***NWM NV Group operations and strategy are highly dependent on the effective use and accuracy of data.***

NWM NV Group relies on the effective use of accurate data to support, monitor, evaluate, manage and enhance its operations and deliver its strategy. The availability of current, detailed, accurate and, wherever possible, machine-readable customer segment and sub-sector data is fast becoming a critical strategic asset. Failure to have current, high-quality data and/or the ineffective use of such data could result in a failure to manage and report important risks and opportunities or satisfy customers' expectations including the inability

to deliver innovative products and services. This could also result in a failure to deliver NWM NV Group's strategy and could place NWM NV Group at a competitive disadvantage by increasing its costs, inhibiting its efforts to reduce costs or its ability to improve its systems, controls and processes which could result in a failure to deliver NWM NV Group's strategy. These data limitations or the unethical or inappropriate use of data and/or non-compliance with customer data and privacy protection laws could give rise to conduct and litigation risks and may increase the risk of operational events, losses or other adverse consequences due to inappropriate models, systems, processes, decisions or other actions.

***NWM NV Group relies on attracting, retaining, developing and remunerating senior management and skilled personnel (such as market trading specialists), and is required to maintain good employee relations.***

NWM NV Group's success depends on its ability to attract, retain, develop and remunerate highly skilled and qualified personnel, including senior management, directors, market trading specialists and key employees, especially for technology-focused roles, in a highly competitive market, in an era of strategic change (including a recent change in executive management) and under internal cost reduction pressures. NWM NV Group's ability to do this may be more difficult due to the implementation of the NWM Refocusing, the Dutch compensation regulations and heightened regulatory oversight of banks and the increasing scrutiny of, and (in some cases) restrictions placed upon, employee compensation arrangements, in particular those of banks in receipt of government support such as NatWest Group. This increases the cost of hiring, training and retaining skilled personnel. In addition, certain economic, market and regulatory conditions and political developments (including Brexit) may reduce the pool of candidates for key management and non-executive roles, including non-executive directors with the right skills, knowledge and experience, or increase the number of departures of existing employees. The NWM Refocusing has also reduced NWM NV Group's ability to engage in succession planning for critical roles given the recent reduction in headcount. This has placed increased risk on employee turnover within revenue generating areas.

Any reduction of compensation as a result of calls or recommendations from supervisors and/or regulators to mitigate the adverse effects of the COVID-19 pandemic could have an adverse effect on NatWest Group's ability to hire, retain and engage well qualified employees, especially at a senior level, which may have a material adverse impact on the financial position and prospects of NWM Group and NWM NV Group. See also *"The COVID-19 pandemic has heightened NWM NV Group's operational risks as many of its employees are working remotely which may also adversely affect NWM NV Group's ability to maintain effective internal controls"*.

Some of NWM Group's employees are represented by employee representative bodies, including trade unions. Engagement with its employees and such bodies is important to NWM Group in maintaining good employee relations. Any breakdown of these relationships could have a material adverse effect on NWM Group's business, results of operations and outlook.

***NWM NV Group's operations are highly dependent on its complex IT systems (including those that enable remote working), and any IT failure could adversely affect NWM NV Group.***

NWM NV Group's operations are highly dependent on the ability to process a very large number of transactions efficiently and accurately while complying with applicable laws and regulations. NWM NV Group is reliant on the NatWest Group and the NWM Group for certain technology and network infrastructure, as NWM NV's IT systems are built upon the NatWest Group and the NWM Group systems. As such, the proper functioning of the NatWest Group and the NWM Group technology and network infrastructure is critical to the operations of NWM NV. In addition, in line with guidance from governments in the EU, NWM NV Group has invoked business continuity plans and most of NWM NV Group's employees are currently working-from-home. This has increased reliance on NWM NV Group's IT systems

that enable remote working, and a failure of these IT systems could have an adverse effect on NWM NV Group's business and operations.

The proper functioning of NWM NV Group's transactional and payment systems, financial crime and sanctions controls, risk management, credit analysis and reporting, accounting, customer service and other IT systems, is also critical to NWM NV Group's operations.

Individually or collectively, any critical system failure, material loss of service availability or material breach of data security could cause serious damage to the NWM NV Group's ability to provide services to its clients, which could result in reputational damage, significant compensation costs or regulatory sanctions (including fines resulting from regulatory investigations) or a breach of applicable regulations. In particular, such issues could cause long-term damage to NWM NV Group's reputation and could affect its regulatory approvals, competitive position, business and brands, which could undermine its ability to attract and retain clients. This risk is heightened as most of NWM NV Group's employees are working remotely as a result of the COVID-19 pandemic, as it outsources certain functions and continues to innovate and offer new digital solutions to its clients as a result of the trend towards online and digital product offerings. See also *"The COVID-19 pandemic has heightened NWM Group's operational risks as many of its employees are working remotely which may also adversely affect NWM Group's ability to maintain effective internal controls"*.

NWM NV Group continued to make considerable investments to further simplify, upgrade and improve its IT and technology capabilities (including migration of certain services to cloud platforms). As part of the NWM Refocusing, NWM Group, including NWM NV Group, also continues to develop and enhance digital services for its customers and seeks to improve its competitive position through enhancing controls and procedures and strengthening the resilience of services including cyber security. Any failure of these investment and rationalisation initiatives to achieve the expected results due to cost challenges or otherwise, could negatively affect NWM Group's operations, its reputation and ability to retain or grow its client business or adversely impact its competitive position, thereby negatively impacting NWM NV Group's business, results of operations and outlook. See also *"NatWest Group is in the process of implementing its Purpose-led Strategy, which requires changes in the business and strategy of NWM Group and NWM NV Group, and entails material execution, commercial and operational risks for NWM NV Group"*.

***A failure in NWM NV Group's risk management framework could adversely affect NWM NV Group, including its ability to achieve its strategic objectives.***

Risk management is an integral part of all of NWM NV Group's activities and includes the definition and monitoring of NWM NV Group's risk appetite and reporting on NWM NV Group's risk exposure and the potential impact thereof on NWM NV Group's financial condition. NWM NV's risk management framework is based on the framework of NatWest Group and NWM Group. Risk management is highly dependent on the use and effectiveness of internal stress tests and models and ineffective risk management may arise from a wide variety of factors, including lack of transparency or incomplete risk reporting, unidentified conflicts or misaligned incentives, lack of accountability control and governance, lack of consistency in risk monitoring (including trade surveillance) and failures of systems to properly process all relevant data, risks related to unanticipated behaviour or performance in algorithmic trading and management or insufficient challenges or assurance processes. Failure to manage risks effectively could adversely impact NWM NV Group's reputation or its relationship with its clients, shareholders or other stakeholders.

NWM NV Group's operations are inherently exposed to conduct risks which include business decisions, actions or reward mechanisms that are not responsive to or aligned with NWM NV Group's client needs or do not reflect NWM NV Group's customer-focussed strategy, ineffective product management, unethical or inappropriate use of data, information asymmetry, implementation and utilisation of new technologies, outsourcing of customer service and product delivery, the possibility of mis-selling of financial products and mishandling of customer complaints. Some of these risks have materialised in the past and ineffective management and oversight of conduct risks may lead to further remediation and regulatory intervention or



enforcement. NWM NV Group's businesses are also exposed to risks from employee misconduct including non-compliance with policies and regulations, negligence or fraud (including financial crimes), any of which could result in regulatory fines or sanctions and serious reputational or financial harm to NWM NV Group.

These risks may be exacerbated when most of NWM NV Group's employees work remotely as a result of the COVID-19 pandemic, which places additional pressure on NWM NV Group's ability to maintain effective internal controls and governance frameworks.

NWM NV Group has been seeking to embed a strong risk culture (based on risk management policies and frameworks as set forth by NatWest Group and NWM Group) across the organisation and has implemented policies and allocated new resources across all levels of the organisation to manage and mitigate conduct risk and expects to continue to invest in its risk management framework. However, such efforts may not insulate NWM NV Group from future instances of misconduct and no assurance can be given that NWM NV Group's strategy and control framework will be effective. See also "*NatWest Group is in the process of implementing its Purpose-led Strategy, which requires changes in the business and strategy of NWM Group and NWM NV Group, and entails material execution, commercial and operational risks for NWM NV Group*" and "*NWM Group (including NWM NV Group) may not be able to successfully implement the ongoing NWM Refocusing and it may not achieve its targets and NWM Group (including NWM NV Group) may not ultimately result in a viable, competitive business*" for other risks relating to the NWM NV Group's strategy that may adversely effect its effectiveness. There is also the risk that the risk management frameworks, as developed by NatWest Group and NWM Group, may not be properly adapted for NWM NV's specific circumstances.

Furthermore, NWM NV has policies and controls in place to combat financial crime, and has made technological and other investments to detect financial crime. Although the NWM NV head office is located in Amsterdam (where NWM NV risk management function is based), it also operates branches in France, Germany, Ireland, Italy, Spain and Sweden. Should such risk policies and controls be inadequate to combat financial crime, particularly in NWM NV branches (where there is less direct supervision) there could be an adverse impact on NWM NV.

As a result, any failure in NWM NV Group's risk management framework could negatively affect NWM NV Group and its financial condition through reputational and financial harm and may result in the inability to achieve its strategic objectives for its clients, employees and wider stakeholders.

***NWM NV Group's operations are subject to inherent reputational risk.***

Reputational risk relates to stakeholder and public perceptions of NWM NV Group arising from an actual or perceived failure to meet stakeholder expectations, including with respect to the NWM Refocusing and related targets, due to any events, behaviour, action or inaction by NWM NV Group, its employees or those with whom NWM NV Group is associated. This includes brand damage, which may be detrimental to NWM NV Group's business, including its ability to build or sustain business relationships with clients, and may cause low employee morale, regulatory censure or reduced access to, or an increase in the cost of, funding. Reputational risk may arise whenever there is a material lapse in standards of integrity, compliance, customer or operating efficiency and may adversely affect NWM NV Group's ability to attract and retain clients. In particular, NWM NV Group's ability to attract and retain clients may be adversely affected by, amongst others: negative public opinion resulting from the actual or perceived manner in which NWM NV Group or any other member of NatWest Group conducts or modifies its business activities and operations, media coverage (whether accurate or otherwise), employee misconduct, NWM NV Group's financial performance, IT systems failures or cyberattacks, data breaches, financial crime, the level of direct and indirect government support for NatWest Group plc, or the actual or perceived practices in the banking and financial industry in general, or a wide variety of other factors.

Modern technologies, in particular online social networks and other broadcast tools that facilitate communication with large audiences in short time frames and with minimal costs, may also significantly increase and accelerate the impact of damaging information and allegations.

Although NWM NV Group has implemented a 'Reputational Risk Policy' to improve the identification, assessment and management of customers and clients, transactions, products and issues which represent a reputational risk, NWM NV Group cannot be certain that it will be successful in avoiding damage to its business from reputational risk.

## ***7. Legal, regulatory and conduct risk***

***NWM NV Group's businesses are subject to substantial regulation and oversight, which are constantly evolving and may adversely affect NWM NV Group.***

NWM NV Group is subject to extensive laws, regulations, corporate governance practice and disclosure requirements, administrative actions and policies in each jurisdiction in which it operates. Many of these have been introduced or amended recently and are subject to further material changes, which may increase compliance and conduct risks, particularly as EU/EEA and UK laws may become more divergent and fragmented now that the Brexit transition period has ended.

In particular, NWM NV Group is subject to (i) direct supervision by DNB and indirect supervision of the ECB (in relation to prudential regulation); (ii) direct supervision by the AFM and indirect supervision by European Securities and Markets Authority ("ESMA") (in relation to market conduct); and (iii) supervision by the local regulators (in respect of NWM NV Group's branch offices in France, Germany, Ireland, Italy, Spain and Sweden, and to supervision by local regulators in these jurisdictions, as host state supervisors, in respect of certain regulatory aspects of NWM NV Group's branch offices' operations that are subject to host state supervision (e.g. antimoney laundering laws). NWM NV Group expects government and regulatory intervention in the financial services industry to remain high for the foreseeable future.

NWM NV Group's operations are subject to substantial regulation and oversight on financial crime. On a continuous basis NWM NV Group implements and executes policies and procedures related to financial crime (including anti-bribery and corruption, anti-tax evasion, sanctions and anti-money laundering) for wholesale and institutional clients. NWM NV Group has an increased focus on detecting financial crime including in relation to its IT systems. Across the banking industry there is an increased regulatory focus on combatting financial crime and over the past year, a number of Dutch and European banks have been subject to money laundering investigations. In order to prevent and combat financial crime, NWM NV Group utilises a yearly Systematic Integrity Analysis (SIRA), holds company wide training and awareness programmes, has dedicated increased management resources to improve NWM NV Group's frameworks and procedures (which are based on NatWest Group's frameworks and procedures), has centralised KYC activities, and has implemented technology solutions and control frameworks by the second and third lines of defence. There is increasing risk in failing to comply with relevant requirements which could result in sanctions, fines and regulatory actions which could be imposed by the authorities and which could also lead to severe reputational risk.

### ***Prudential regulatory requirements:***

In recent years, regulators and governments have focused on reforming the prudential regulation of the financial services industry and the manner in which the business of financial services is conducted. Amongst others, measures have included: enhanced capital, liquidity and funding requirements, implementation of the UK ring-fencing regime, implementation and strengthening of the recovery and resolution framework applicable to financial institutions in The Netherlands, the UK, the EU and the US, financial industry reforms (including in respect of MiFID II), corporate governance requirements, restrictions on the compensation of senior management and other employees, enhanced data privacy and IT resilience requirements, financial market infrastructure reforms (including enhanced regulations in respect of the provision of 'investment

services and activities'), enhanced regulations in respect of the provision of 'investment services and activities', and increased regulatory focus in certain areas, including conduct and duty of care, consumer protection and disputes regimes, outsourcing, anti-money laundering, anti-corruption, anti-bribery, anti-tax evasion, financial crime, swap dealers payment systems, sanctions and anti-terrorism laws and regulations. This has resulted in NWM NV Group facing greater regulation and scrutiny in The Netherlands and the other countries in which it operates.

In addition, there is significant oversight by the EU competition authorities. The competitive landscape for banks and other financial institutions in the Europe is rapidly changing. Recent regulatory and legal changes have and may continue to result in new market participants and changed competitive dynamics in certain key areas.

Competition authorities are currently also looking at and focusing more on how they can support competition and innovation in digital markets.

#### *Regulatory requirements:*

Recent regulatory changes, proposed or future developments and heightened levels of public and regulatory scrutiny in the EU have resulted in increased capital, funding and liquidity requirements, changes in the competitive landscape, changes in other regulatory requirements and increased operating costs, and have impacted, and will continue to impact, NWM NV Group's product offering and business models. In particular, NWM NV Group is required to continue to comply with regulatory requirements in respect to ensure operational continuity in resolution; the steps required to ensure such compliance entail significant costs, and also impose significant operational, legal, reputational and execution risks. Material consequences could arise should NWM NV Group be found to be non-compliant with such regulatory requirements. Such changes may also result in an increased number of regulatory investigations and proceedings and have increased the risks relating to NWM NV Group's ability to comply with the applicable body of rules and regulations in the manner and within the time frames required.

Areas in which, and examples of where, governmental policies, regulatory and accounting changes and increased public and regulatory scrutiny could have an adverse impact (some of which could be material) on NWM NV Group include, but are not limited to:

- general changes in government, central bank, regulatory or competition policy, or changes in regulatory regimes that may influence investor decisions in the markets in which NWM NV Group operates;
- rules relating to foreign ownership, expropriation, nationalisation and confiscation of assets;
- new or increased regulations relating to customer data and privacy protection as well as IT controls and resilience, including the GDPR and the impact of the recent Court of Justice of the EU (CJEU) decision (known as Schrems II), in which the CJEU ruled that Privacy Shield (an EU/US data transfer mechanism) is now invalid, leading to more onerous due diligence requirements for the Group prior to sending personal data of its EU customers and employees to non-EEA countries, including the UK and the US; and
- the introduction of, and changes to, taxes, levies or fees applicable to NWM NV Group's operations, such as the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*), the imposition of a financial transaction tax, changes in the scope and administration of the Dutch bank levy (*bankenbelasting*) levied pursuant to the Dutch Bank Levy Act (*Wet bankenbelasting*), changes in tax rates, increases in the bank corporation tax surcharge in the UK, restrictions on the tax deductibility of interest payments require increased payments of tax.

These and other recent regulatory changes, proposed or future developments and heightened levels of public and regulatory scrutiny in the UK, The Netherlands, the EU and the US have resulted in increased capital,

funding and liquidity requirements, changes in the competitive landscape, changes in other regulatory requirements and increased operating costs, and have impacted, and will continue to impact, product offerings and business models. Any of these developments (including any failure to comply with new rules and regulations) could also have a significant impact on NWM NV Group's authorisations and licences, the products and services that NWM NV Group may offer, its reputation and the value of its assets, NWM NV Group's operations or legal entity structure, and the manner in which NWM NV Group conducts its business. Material consequences could arise should NWM NV Group be found to be non-compliant with these regulatory requirements. Regulatory developments may also result in an increased number of regulatory investigations and proceedings and have increased the risks relating to NWM NV Group's ability to comply with the applicable body of rules and regulations in the manner and within the time frames required. See also *"NWM NV Group and NWM Plc are subject to various litigation matters, regulatory and governmental actions and investigations as well as remedial undertakings, the outcomes of which are inherently difficult to predict, and which could have an adverse effect on NWM NV Group"*.

Changes in laws, rules or regulations, or in their interpretation or enforcement, or the implementation of new laws, rules or regulations, including contradictory or conflicting laws, rules or regulations by key regulators or policymakers in different jurisdictions, or failure by NWM NV Group to comply with such laws, rules and regulations, may adversely affect NWM NV Group's business, results of operations and outlook. In addition, uncertainty and insufficient international regulatory coordination as enhanced supervisory standards are developed and implemented may adversely affect NWM NV Group's ability to engage in effective business, capital and risk management planning.

***NWM NV Group and NWM Plc are subject to various litigation matters, regulatory and governmental actions and investigations as well as remedial undertakings, the outcomes of which are inherently difficult to predict, and which could have an adverse effect on NWM NV Group.***

NWM NV Group's operates in legal and regulatory environments that expose it to potentially significant legal proceedings, and civil, criminal, regulatory and governmental actions. NWM NV Group and NWM Plc have settled a number of legal and regulatory actions over the past several years but continue to be, and may in the future be, involved in such actions in the US, the UK, Europe and other jurisdictions.

NWM NV Group and /or NWM Plc are currently involved in a number of significant legal and regulatory actions, including criminal and civil investigations and proceedings and ongoing reviews (both formal and informal) by governmental law enforcement and other agencies and litigation proceedings, relating to, among other matters, the offering of securities, conduct in the foreign exchange market, the setting of benchmark rates and related derivatives trading, the issuance, underwriting, and sales and trading of fixed-income securities (including government securities), product mis-selling, customer mistreatment, anti-money laundering, antitrust, VAT recovery and various other compliance issues. Legal and regulatory actions are subject to many uncertainties, and their outcomes, including the timing, amount of fines or settlements or the form of any settlements, which may be material and in excess of any related provisions, are often difficult to predict, particularly in the early stages of a case or investigation. NWM NV Group's expectation for resolution may change and substantial additional provisions and costs may be recognised in respect of any matter.

Adverse outcomes or resolution of current or future legal or regulatory actions and associated remedial undertakings could result in restrictions or limitations on NWM NV Group's operations, and could adversely impact NWM NV Group's capital position or its ability to meet regulatory capital adequacy requirements. Failure to comply with undertakings made by the NWM NV Group or NWM Plc to its regulators may result in additional measures being taken against, or penalties being imposed on the NWM NV Group.

***NWM NV Group may not effectively manage the transition of IBOR rates to alternative risk free rates.***

UK, Dutch, European and other international regulators are driving a transition from the use of interbank offer rates ("**IBORs**"), to alternative risk free rates ("**RFRs**"). Interest rate benchmark reform is a key priority of the Financial Stability Board, and working groups have been established in a number of jurisdictions to support the transition. Major central banks and regulators, including the FCA, the Bank of England, the Federal Reserve Bank, and the AFM and DNB in The Netherlands, have strongly urged market participants to transition to RFRs. NWM NV Group has a significant exposure to IBORs (given its financial products and instruments are largely euro denominated, this is primarily to Euro-zone inter-bank offered rate ("**EURIBOR**"), although it also has exposures to other reference rates), and continues to reference it in certain products, primarily derivatives and cash products.

NWM NV Group has started to phase out its use of IBOR and has embedded appropriate fall-back mechanisms in most new IBOR activities, either through bilateral contract documentation, or under the ISDA fall-backs protocol. NWM NV, along with many of its major counterparties, has already adhered to the ISDA IBOR fall-backs supplement and protocol, which establishes a clear, industry accepted, contractual process to manage the transition from IBORs to RFRs for derivative products.

NWM NV Group is actively engaged with customers and industry working groups to manage the risks relating to this exposure, and explore ways to transition IBOR exposures to RFRs to the extent possible. Any economic impacts will be dependent on, *inter alia*, the establishment of deep and liquid RFR markets, the establishment of clear and consistent market conventions for all replacement products, as well as counterparties' willingness to accept, and transition to, these conventions. Furthermore, certain IBOR obligations may not be able to be changed thus resulting in fundamentally different economic outcomes than originally intended. The uncertainties around the timing and manner of transition to RFRs expose NWM NV Group, its clients and the financial services industry more widely. Examples of these risks may include:

- legal risks (relating to documentation for new and the majority of existing transactions, which might lead to increased legal uncertainty and costs) (including, but not limited to, changes, lack of changes, or unclear contractual provisions);
- financial risks (from any changes in valuation of financial instruments linked to impacted IBORs, adversely affecting the value of, return on and trading market of these instruments, which and may have an adverse impact on NWM NV Group's performance, including its cost of funds and its risk management related financial models);
- pricing, interest rate or settlement risks (such as changes to benchmark rates could adversely impact pricing, interest rate or settlement mechanisms on certain financial instruments);
- operational risks due to the fact that adapting IT systems, trade reporting infrastructure and operational processes to the transition to RFRs might adversely impact NWM NV Group's operations; and
- conduct and litigation risks arising from communication regarding the potential impact on customers, and engagement with customers during the transition period or non-acceptance by customers of replacement rates.

It is therefore difficult to determine to what extent the changes will affect NWM NV Group, or the costs of implementing any relevant remedial action. Uncertainty as to the nature and extent of such potential changes, alternative reference rates or other reforms may adversely affect financial instruments using benchmarks. The implementation of any alternative RFRs may be impossible or impracticable under the existing terms of certain financial instruments and could have an adverse effect on the value of, return on and trading market for certain financial instruments and on NWM NV Group's profitability. There is also the risk of an adverse effect to reported performance arising from the transition rules established by accounting bodies, as certain rules (as approved by the IASB) are still dependent on how the actual transition process is implemented.

## **B. Risk Factors relating to the Notes**

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are described below.*

### **1. Risks related to the structure of a particular issue of Notes**

Notes issued under the Programme may be structured in such a way that means they have features which contain particular risks for potential investors. Set out below is a description of certain such features.

#### *Notes subject to optional redemption by the Issuer*

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. Further, during periods when there is an increased likelihood, or perceived increased likelihood, that the Notes will be redeemed early, the market value of the Notes may be adversely affected.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Certain information regarding any optional redemption right of the Issuer in relation to any Notes will be set out in the applicable Final Terms.

#### *Risks related to Notes which are linked to "benchmarks"*

EURIBOR and other interest rate or other types of rates and indices which are deemed to be "benchmarks" may from time to time be the subject of ongoing regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences, including those which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a "benchmark".

The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the EU and, as it forms part of UK domestic law by virtue of the EUWA, the UK (in the UK, the "**United Kingdom Benchmarks Regulation**"). The Benchmarks Regulation could have a material impact on any Notes linked to EURIBOR or other benchmarks, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmarks Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of, the published rate or level, of the benchmark. In addition, the Benchmarks Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" to which the Notes are linked will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks", or such administrators may cease to administer the relevant benchmark because of the additional costs of compliance with the Benchmarks Regulation and other applicable regulations and reforms, and the risks associated therewith, which could mean that a Successor Rate or Alternative Reference Rate (each as defined in Condition 3(f) (*Benchmark replacement*)), as applicable, shall be determined that could reduce or increase the rate or level, or affect the volatility of, the published rate or level, of the interest rate to which the Notes are linked.

An example of benchmark reform was that on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its working group on Sterling risk free rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan and derivative markets so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Furthermore, a private sector working group on euro risk-free rates was established to identify and recommend risk-free rates that could serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area, such as the euro overnight index average (EONIA) and EURIBOR. The group recommended on 13 September 2018 that the euro short-term rate ("**€STR**") be used as the risk-free rate for the euro area and is now focused on supporting the market with transitioning from EONIA (which will be discontinued on 3 January 2022) to €STR. The ECB published the €STR for the first time on 2 October 2019, reflecting trading activity on 1 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the EU Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The potential discontinuation of, or the potential changes in the manner of administration of or changes in the methodologies pursuant to which EURIBOR or any other benchmark are determined, or any other reforms to or other proposals affecting EURIBOR or any other relevant benchmarks that will be enacted in the UK, the EU, the United States and elsewhere, may adversely affect the trading market for EURIBOR and/or other relevant benchmark-based securities, including any Notes that bear interest at rates based on a relevant benchmark, could require an adjustment to the terms and conditions to reference an alternative benchmark could require an adjustment to the terms and conditions to reference an alternative benchmark, or result in other consequences, including those which cannot be predicted, in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes and, to the extent subject to one or more resets during their tenor, Fixed Rate Notes whose interest rates are linked to EURIBOR or any other benchmark). In addition, any future changes in the method pursuant to which EURIBOR and/or other relevant benchmarks are determined or the transition to a successor benchmark may result in, among other things, a sudden or prolonged increase or decrease in the reported benchmark rates, a delay in the publication of any such benchmark rates, trigger changes in the rules or methodologies in certain benchmarks discouraging market participants from continuing to administer or participate in certain benchmarks, and, in certain situations, could result in a benchmark rate no longer being determined and published. Accordingly, in respect of a Note referencing EURIBOR or any other relevant benchmark, such proposals for reform and changes in applicable regulation could have a material adverse effect on the value of and return on such a Note (including potential rates of interest thereon).

Investors should be aware that, if any benchmark were discontinued or otherwise (permanently) unavailable, the rate of interest on any Notes which reference any such benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the relevant benchmark rate is to be determined under the Terms and Conditions of the Notes, this may (i) be reliant on the Independent Advisor or the Issuer being able to determine a Successor Reference Rate or an Alternative Reference Rate (each as defined in the Terms and Conditions of the Notes) (see Condition 3(f) (*Benchmark replacement*)) or (ii) result in the effective application of a fixed rate based on the rate which applied in the previous period when the relevant benchmark was available (see Condition 3(f)(B) (*Benchmark replacement*)). The effective application of a fixed rate to what was previously a Floating Rate Note could have a material adverse effect on the value of, and return on, any such Notes.

Furthermore, it is possible that the Issuer may itself determine a fall-back interest rate. In such case, the Issuer will make such determinations and adjustments as it deems appropriate, in accordance with the Terms and Conditions of the Notes. In making such determinations and adjustments, the Issuer may be entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion.

Uncertainty as to the continuation of a benchmark, the availability of quotes from reference banks to allow for the continuation of the benchmark rate on any Notes, the ability of any agent or the Issuer to establish a fall-back interest rate for any Notes (including the possibility that a license or registration may be required for such agent or the Issuer under the applicable legislation to be able to calculate a Successor Reference Rate or an Alternative Reference Rate, the failure which could ultimately result in the effective application of a fixed rate on such Notes), and the rate that would be applicable if the relevant benchmark is discontinued may adversely affect the trading market and the value of the Notes and the determination of any successor rate could lead to economic prejudice or benefit (as applicable) to investors. At this time, it is not possible to predict what the effect of these developments will be or what the impact on the value of the Notes will be. More generally, any of the above changes or any other consequential changes to the Secured Overnight Financing Rate ("**SOFR**"), EURIBOR, €STR, the Swiss Average Rate Overnight ("**SARON**") or any other "benchmark" as a result of international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes, could have a material adverse effect on the liquidity and value of, and return on, any Notes based on or linked to a "benchmark". Furthermore, if the Issuer is unable to appoint an Independent Adviser or if an Independent Adviser appointed by it fails to determine a Successor Reference Rate or an Alternative Reference Rate or Adjustment Spread in accordance with the Terms and Conditions of the Notes, the Issuer may have to exercise its discretion to determine (or to elect not to determine) a Successor Reference Rate or an Alternative Reference Rate or Adjustment Spread, if applicable. The intention for any Adjustment Spread is to reduce or eliminate economic prejudice or benefit from the relevant Successor Reference Rate or Alternative Reference Rate, however, it may not be successful in doing so and the Notes may still perform differently than they would have had the Successor Reference Rate or Alternative Reference Rate not been adopted. Any such consequence could have a material adverse effect on the value of and return on any such Notes and lead to losses for Noteholders.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms or possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

*The market continues to develop in relation to risk free rates (including overnight rates) as reference rates for Floating Rate Notes*

Investors should be aware that the market continues to develop in relation to risk free rates, such as SONIA, SOFR, €STR and SARON, as reference rates in the capital markets and their adoption as alternatives to Sterling, U.S. or Swiss LIBOR. In addition, market participants and relevant working groups are exploring alternative reference rates based on SONIA, SOFR, €STR and SARON, including term SONIA, SOFR, €STR and SARON reference rates (which seek to measure the market's forward expectation of an average SONIA, SOFR, €STR or SARON rate over a designated term). The development of SONIA, SOFR, €STR and SARON rates as interest reference rates for the Eurobond markets, as well as continued development of SONIA, SOFR, €STR and SARON based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes. The use of SONIA, SOFR, €STR and SARON as reference rates for Eurobonds continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing SONIA, SOFR, €STR and SARON. In particular, investors should be aware that several different SOFR methodologies have been used in SOFR linked notes issued to date and no assurance can be given that any particular methodology, including the compounding formula in the Terms and Conditions, will gain widespread market acceptance.

The market or a significant part thereof may adopt an application of SONIA, SOFR, €STR and SARON that differs significantly from that set out in the Terms and Conditions as applicable to the Notes. Furthermore, the Issuer may in the future issue Notes referencing SONIA, SOFR, €STR or SARON that differ materially in terms of interest determination when compared with the Notes. In addition, the manner of adoption or



application of SONIA, SOFR, €STR or SARON reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA, SOFR, €STR or SARON in other markets, such as the derivatives and loan markets. Noteholders should carefully consider how any mismatch between the adoption of SONIA, SOFR, €STR and SARON reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SONIA, SOFR, €STR or SARON.

*SONIA, SOFR and €STR differ from LIBOR in a number of material respects and have a limited history*

SONIA, SOFR and €STR differ from, for example, the London inter-bank offered rate ("**LIBOR**") many investors are familiar with, in a number of material respects, including that SONIA, SOFR and €STR are backwards-looking, risk-free overnight rates, whereas LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR and SONIA, SOFR or €STR may behave materially differently as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to LIBOR which is an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Publication of SONIA in its current form and of SOFR began in April 2018 and they therefore have a limited history. The future performance of SONIA and SOFR may therefore be difficult to predict based on the limited historical performance. The level of SONIA and SOFR during the term of the Notes may bear little or no relation to the historical level of SONIA or SOFR. Prior observed patterns, if any, in the behaviour of market variables and their relation to SONIA and SOFR such as correlations, may change in the future.

Furthermore, the Rate of Interest is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for Noteholders to estimate reliably the amount of interest which will be payable on the Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of the Notes. Further, in contrast to LIBOR-based notes, if the Notes become due and payable under Condition 8, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of the Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable.

Since €STR is a relatively new market index, Floating Rate Notes which reference €STR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to €STR such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later-issued indexed debt securities as a result. Further, if €STR does not prove to be widely used in securities like Floating Rate Notes which reference €STR, the trading price of such Floating Rate Notes which reference €STR may be lower than those of Notes linked to indices that are more widely used. Investors in such Floating Rate Notes may not be able to sell such Floating Rate Notes at all or may not be able to sell such Floating Rate Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that €STR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Notes which reference €STR. If the manner in which €STR is calculated is changed, that change may result in a reduction of the amount of interest payable on such Floating Rate Notes and the trading prices of such Floating Rate Notes.

Accordingly, an investment in Floating Rate Notes using €STR as a reference rate may entail significant risks not associated with similar investments in conventional debt securities.

*The administrator of SONIA or SOFR may make changes that could change the value of SONIA or SOFR or discontinue SONIA or SOFR*

The Bank of England or Federal Reserve Bank of New York (or a successor), as administrator of SONIA and SOFR, respectively, may make methodological or other changes that could change the value of SONIA or SOFR, including changes related to the method by which SONIA or SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SONIA or SOFR, or timing related to the publication of SONIA or SOFR. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA or SOFR (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing SONIA or SOFR.

*Interest based on Compounded Daily SOFR, Weighted Average SOFR or €STR will only be capable of being determined near the end of the relevant Interest Period*

The applicable Final Terms of any issue of a Series of Floating Rate Notes under the Programme that reference SOFR may specify that the calculation methodology will be weighted average or compounded daily using a formula or using SOFR Index values. The amount of interest payable with respect to any such Floating Rate Notes for a given Interest Period will be determined on the relevant Interest Determination Date for such Interest Period. Because each such date will be near the end of such Interest Period, Noteholders will not know the amount of interest payable on such Floating Rate Notes with respect to a given Interest Period until shortly prior to the related Interest Payment Date. In addition, it may be difficult for Noteholders to estimate reliably the amount of interest that will be payable on each such Interest Payment Date. As a result, some investors may be unable or unwilling to trade such Notes without changes to their information technology systems, which could adversely impact the liquidity and trading price of any such Floating Rate Notes. Further, in contrast to LIBOR-based Notes, if Notes referencing Compounded Daily SOFR become due and payable as a result of an event of default, or are otherwise redeemed early on a date other than an Interest Payment Date, the rate of interest payable for the final Interest Period in respect of such Notes will only be determined immediately or shortly prior to the date on which the Notes become due and payable and shall not be reset thereafter.

To permit a reasonable amount of time to make payment arrangements after the amount of interest is determined, the applicable Final Terms of any issue of a Series of Floating Rate Notes under the Programme that reference SOFR may specify observation methods such as lag, lock-out or payment delay. Conventions regarding observation methods for SOFR rates used for debt securities continue to evolve and may differ materially from observation method conventions used for other financial products, such as interest rate swaps or syndicated loans. Investors should carefully consider how any mismatches in observation method conventions in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which you may put in place in connection with any acquisition, holding or disposal of any Floating Rate Notes that reference SOFR.

Interest on Floating Rate Notes which reference €STR is only capable of being determined at the end of the relevant Observation Period or Interest Period (as applicable) and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Floating Rate Notes which reference €STR to estimate reliably the amount of interest which will be payable on such Floating Rate Notes, and some investors may be unable or unwilling to trade such Floating Rate Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Floating Rate Notes. Further, in contrast to, for example, EURIBOR based Floating Rate Notes, if Floating Rate Notes referencing €STR become due and payable as a result of an event of default under Condition 8 (*Events of Default*), or are otherwise redeemed early on a

date other than an Interest Payment Date, the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined on the date on which the Floating Rate Notes become due and payable.

*The rate of interest on any Series of Floating Rate Notes that reference SOFR may be calculated using SOFR Index values, which is relatively new in the marketplace*

The applicable Final Terms of any issue of a Series of Floating Rate Notes under the Programme may specify that such Floating Rate Notes will bear interest with reference to SOFR and that the related Compounded Daily calculation methodology will use SOFR Index values published by the Federal Reserve Bank of New York. For any such Floating Rate Notes the amount of interest due with respect to any Interest Period will not necessarily be the same as the interest rate on other SOFR-linked investments that use an alternative basis to determine the applicable interest rate.

Very limited market precedents exist for securities that use SOFR as the interest rate basis and the method for calculating an interest rate based upon SOFR in those precedents varies. In addition, the Federal Reserve Bank of New York only began publishing SOFR Index data on 2 March 2020. Accordingly, the use of SOFR Index values or the specific formula for daily compounding of SOFR may not be widely adopted by other market participants, if at all.

If the manner in which the SOFR Index is calculated is changed, that change may result in a reduction in the amount of interest payable on any such Floating Rate Notes and their trading prices. There can be no guarantee, particularly given its relatively recent introduction, that the SOFR Index will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of holders of Floating Rate Notes that use SOFR Index data to calculate compounded SOFR during the term of the Floating Rate Notes.

*Notes with returns that are calculated with reference to a variable*

Notes may have returns that are variable as a result of the method by which the coupon is calculated or of the way interest is paid. The most basic example of this are Notes where the interest rate is floating, and therefore subject to changes as a result of movements in the prevailing interest rate. In these cases, the success or otherwise of the variable can impact significantly on the return under the Notes as well as the ability to trade the Notes on the secondary market. It should be expected that the value of the Notes and the secondary market for the Notes may decrease if the performance of the variable is less than anticipated.

These risks depend on a number of inter-related factors, including economic, financial and political events over which the Issuer has no control.

*Trading different types of Notes*

It should be assumed that the market for trading different types of Notes varies even though they are issued under the same Programme. By way of example, a Zero Coupon Note may be more difficult to trade and its price more variable than a Fixed Interest Rate Note. It may also be more difficult to trade a Zero Coupon Note that has just been issued than a Zero Coupon Note nearer its redemption, as returns on Zero Coupon Notes will be paid to investors only on redemption.

*Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The conversion of the interest basis may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower return for investors. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes.

Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on other Notes.

*The interest rate on Reset Notes will reset on each Reset Date, which can be expected to affect the interest payment on an investment in Reset Notes and could affect the market value of Reset Notes*

Reset Notes will initially bear interest at the Initial Rate of Interest until (but excluding) the First Reset Date. On the First Reset Date and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Mid-Swap Rate and the First Margin or Subsequent Margin (as applicable) as determined by the Calculation Agent on the relevant Reset Determination Date (each such interest rate, a "**Subsequent Reset Rate**"). The Subsequent Reset Rate for any Reset Period could be less than the Initial Rate of Interest or the Subsequent Reset Rate for prior Reset Periods and could affect the market value of an investment in the Reset Notes.

*Notes issued with a specific use of proceeds, such as green, social or sustainability Notes may not meet investor expectations or requirements*

The applicable Final Terms may provide that the Issuer will use an amount equal to the net proceeds of the offer (as at the date of issuance of such Notes) to allocate an equivalent amount of funding specifically to businesses and projects that, in the Issuer's sole judgement and discretion, satisfy certain eligibility requirements that purport to promote green initiatives, sustainable goals and other environmental and/or social purposes ("**Eligible Projects**") (each a "**Green, Social or Sustainability Note**").

If the use of proceeds of the Notes is a factor in a prospective investor's decision to invest in the Notes, they should consider the disclosure in "*Use of Proceeds*" below and in the applicable Final Terms and consult with their legal or other advisers before making an investment in the Notes and must determine for themselves the relevance of such information for the purpose of any investment in such Green, Social or Sustainability Note together with any other investigation such investor deems necessary.

In particular no assurance is given by the Issuer or any of the Dealers that the use of such proceeds for any Eligible Projects will meet the requirements set out in the Framework (as defined below), whether in whole or in part, or any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own articles of association or other governing rules or investment mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any of the businesses and projects funded with the proceeds from any particular Green, Social or Sustainability Note).

No assurance can be given that Eligible Projects will meet investor expectations or requirements regarding such 'green', 'social' or 'sustainable' or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, the "**EU Taxonomy**"), that a Green, Social or Sustainability Note, at any time, meets the EU Taxonomy or the continuously evolving standard(s) for such notes, or that any projects or uses the subject of, or related to, any of the businesses and projects funded with the proceeds from any particular Green, Social or Sustainability Note will meet any or all investor expectations regarding such 'green', 'social', 'sustainable' or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Projects.

Furthermore, there is no contractual obligation to allocate the proceeds of the Notes to finance eligible businesses and projects or to provide annual progress reports as described in "*Use of Proceeds*" below and/or and in the applicable Final Terms. The Issuer's failure to allocate the proceeds of any particular Green, Social or Sustainability Note to finance an Eligible Project or to provide annual progress reports, the failure of any of the Eligible Projects to meet any or all investor expectations regarding such 'green', 'social', 'sustainable' or other equivalently-labelled performance objectives, or the failure of an independent external review provider with environmental or social expertise to issue a second party opinion on the allocation of the notes proceeds may affect the value of any particular Green, Social or Sustainability Note and/or have adverse

consequences for certain investors with portfolio mandates to invest in green, social or sustainable assets, however, it will not: (i) give rise to any claim by a Noteholder against the Issuer; (ii) constitute an Event of Default (as defined in "*Terms and Conditions of the Notes*" below) or breach of contract with respect to any particular Green, Social or Sustainability Note; or (iii) lead to an obligation of the Issuer to redeem such Notes or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Notes.

The net proceeds of any particular Green, Social or Sustainability Note (as at the date of issuance of such Green, Social or Sustainability Note) which, from time to time, are not allocated as funding for Eligible Projects are intended by the Issuer to be held pending allocation as funding towards the funding of Eligible Projects. Neither the Issuer nor any of the Dealers undertakes to ensure that there is at all times a sufficient aggregate amount of Eligible Projects to allow for allocation of the net proceeds of the issue of such Green, Social or Sustainability Note in full.

No assurance or representation is given by the Issuer, any of the Dealers or any other person as to the suitability or reliability for any purpose whatsoever of the Second Party Opinion (as defined below) or any other opinion or certification of any third party (whether or not solicited by the Issuer or any affiliate) which may be made available in connection with any particular Green, Social or Sustainability Note and in particular whether any Eligible Projects fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, any of the Dealers or any other person to enter into any particular Green, Social or Sustainability Note. Any such opinion or certification is only current as of the date that such opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Green, Social or Sustainability Note. Currently, the providers of such opinions and certifications (including the provider of the Second Party Opinion) are not subject to any specific regulatory or other regime or oversight. In particular, no assurance or representation is or can be given by the Issuer or any of the Dealers to investors that any such opinion or certification will reflect any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. The Noteholders have no recourse against the Issuer, any of the Dealers or the provider of any such opinion or certification for the contents of any such opinion or certification. A withdrawal of any such opinion or certification may affect the value of any Green, Social or Sustainability Note, may result in the delisting of such Green, Social or Sustainability Note from any dedicated 'green', 'social' or 'sustainable' or other equivalently-labelled segment of any stock exchange or securities market and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

If any particular Green, Social or Sustainability Note is at any time listed or admitted to trading on any dedicated 'green', 'social' or 'sustainable' or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, any of the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own articles of association or other governing rules or investment mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any of the businesses and projects funded with the proceeds from any particular Green, Social or Sustainability Note). Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, any of the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any particular Green, Social or Sustainability Note or, if obtained, that any such listing or admission to trading will be maintained during the life of any particular Green, Social or Sustainability Note.

## **2. Risks related to Notes generally**

Set out below is a brief description of certain risks relating to the Notes generally.

### *The Notes may be written down or converted into ordinary shares*

There are substantial powers to resolve and stabilise Dutch incorporated financial institutions under the FMSA, including:

- (i) private sector transfer of all or part of the business of the relevant entity;
- (ii) transfer of all or part of the business of the relevant entity to a "bridge bank" established by the Dutch Central Bank (*De Nederlandsche Bank*, "**DNB**");
- (iii) transfer to an asset management vehicle;
- (iv) the bail-in option; and
- (v) temporary public ownership (nationalisation) of the relevant entity.

Each of these options is achieved through the exercise of one or more supervisory powers, which include: (i) the power to make share transfer orders pursuant to which all or some of the securities issued by a Dutch bank may be transferred to a commercial purchaser, a bridge bank or the Dutch government; (ii) the resolution instrument power which may make provision for bail-in; (iii) the power to transfer all or some of the property, rights and liabilities of a Dutch bank to a commercial purchaser or DNB entity; and (iv) the third country instrument powers that recognise the effect of similar special resolution action taken under the law of a country outside the EEA. A share transfer order can extend to a wide range of securities, including shares and bonds issued by a Dutch bank or its holding company and warrants for such shares and bonds and could, therefore, apply to the Notes. In addition, the relevant resolution authorities have the power to modify contractual arrangements in certain circumstances, powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers and powers for the relevant resolution authority to disapply or modify laws (with possible retrospective effect) to enable the powers under the FMSA to be used effectively. In addition to the powers described above, the Dutch Minister of Finance may, with immediate effect, take measures or expropriate assets and liabilities of, claims against or securities issued by or with the consent of the Issuer, if in the Minister of Finance's opinion the stability of the financial system is in serious and immediate danger as a result of the situation in which the Issuer finds itself. See further the risk factors "*NatWest Group (including the Issuer) may become subject to the application of resolution powers which may result in, among other actions, the write-down or conversion of the Group's Eligible Liabilities*" and "*The Issuer may not meet the prudential regulatory requirements for capital and liquidity, or manage its capital, liquidity or funding effectively which could trigger certain management actions or recovery options*" above for other risks that may have an adverse effect on the value of NWM NV Group's securities (including the Notes). The resolution authorities will likely allow the use of financial public support only as a last resort after having assessed and exploited, to the maximum extent practicable, the resolution tools, including the bail-in tool and/or the write-down and/or conversion powers.

The bail-in tool covers bonds and notes issued by the institution subject to resolution measures, but certain defined instruments are excluded from the scope, such as covered bonds. Where the relevant statutory conditions for use of the bail-in tool have been met, the relevant resolution authority would be expected to exercise these powers without notice to, or the consent of, the Noteholders. Any such exercise of the bail-in tool in respect of the Issuer and the Notes may result in the cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the Notes and/or the conversion of the Notes into shares or other Notes or other obligations of the Issuer or another person, or any other modification or variation to the terms of the Notes.

The FMSA specifies the order in which the bail-in tool should be applied, reflecting the hierarchy of capital instruments under the capital requirements regime and otherwise respecting the hierarchy of claims in an ordinary insolvency.

The bail-in tool contains an express safeguard (known as "no creditor worse off") with the aim that shareholders and creditors do not receive a less favourable treatment than they would have received in ordinary insolvency proceedings. However, even in circumstances where a claim for compensation is established under the "no creditor worse off" safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Noteholders in the resolution and there can be no assurance that Noteholders would recover such compensation promptly.

The determination that all or part of the principal amount of the Notes will be subject to the bail-in tool may be unpredictable and may be outside of the Issuer's control. Accordingly, trading behaviour in respect of the Notes which are subject to such write-down or conversion powers is not necessarily expected to follow trading behaviour associated with other types of securities.

The exercise of the bail-in tool in respect of the Issuer and the Notes or any suggestion of any such exercise could materially adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes and could lead to Noteholders losing some or all of the value of their investment in such Notes.

#### *Modification, waivers and substitution*

The Terms and Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions also provide that the Issuer and the Agent may, without the consent of the Noteholders, agree to (i) any modification of, or waiver or authorisation of any breach or proposed breach of, any of the relevant Terms and Conditions (not being a modification, waiver or authorisation requiring the approval of a meeting of Noteholders) of any of the provisions of Notes which is not materially prejudicial to the interests of the Noteholders, (ii) any modification of the Notes which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law or (iii) any modifications to the Agency Agreement and the relevant Terms and Conditions as may be required in order to give effect to Condition 3(f) in connection with effecting any Alternative Reference Rate, Successor Rate, Adjustment Spread or related changes.

As a result of the above, actions may be taken with respect to a Series of Notes with which some holders of such Notes may not agree.

#### *Change of law*

Notes will be governed by the laws of The Netherlands. No assurance can be given as to the impact of any possible judicial decision or change to the laws of The Netherlands or administrative practice after the date of this Base Prospectus (and any supplement to it and/or applicable Final Terms for the relevant Notes).

Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Notes, which may have an adverse effect on an investment in the Notes.

In particular, certain changes in law or regulation would entitle the Issuer, at its option to redeem the Notes, as applicable, in whole but not in part, as provided under Condition 5(b).

*Notes where denominations involve integral multiples: definitive Notes*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

*Reliance on the procedures of Euroclear and Clearstream, Luxembourg or any other nominee service providers for transfer, payment and communication with the Issuer*

Notes issued under the Programme may be represented by one or more Global Notes that may be held by or on behalf of Euroclear and Clearstream, Luxembourg, or, in respect of CMU Notes, the Hong Kong Monetary Authority as operator of the Central Money Markets Unit Service (the "**CMU Operator**"). Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg or the CMU Operator, as applicable, will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg or the CMU Operator, as applicable.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depositary or common safekeeper (as applicable) for Euroclear and Clearstream, Luxembourg or the CMU Operator, as applicable, for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg or the CMU Operator, as applicable, to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Any failure by Euroclear and Clearstream, Luxembourg or the CMU Operator to transfer payments under any Notes to investors could have a material adverse effect on the value of such Notes or result in losses.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg or the CMU Operator, as applicable, to appoint appropriate proxies. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable investors to vote on any matters affecting their interests on a timely basis.

Furthermore, should a Note be accelerated in the circumstances described in Condition 8 (*Events of Default*) where any Note is still represented by a Global Note, only investors which are accountholders holding their Notes so represented and credited to their account with Euroclear, Clearstream, Luxembourg or the CMU Operator, will become entitled to proceed directly against the Issuer ("**direct rights**"). Any other investors in the Notes will have to rely upon the nominee service provider which is the accountholder with Euroclear, Clearstream, Luxembourg and/ or the CMU Operator through which such investor made arrangements to invest in the Notes or should require such nominee service provide to transfer such direct rights to the investor.

*Potential conflicts of interest*

The Terms and Conditions state that NatWest Markets Plc will act as Calculation Agent unless another party is specified as the Calculation Agent in the applicable Final Terms. If so specified in the relevant Final Terms, the Issuer, or another affiliate of the Issuer, may also act as Calculation Agent. In the case NatWest Markets



Plc, the Issuer, or another affiliate of the Issuer, act as Calculation Agent, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Terms and Conditions that may influence, *inter alia*, (i) the amount receivable upon settlement of the Notes and (ii) the determination by the Issuer of a Successor Rate or, if the Issuer determines that there is no Successor Rate, an Alternative Reference Rate for purposes of determining the Rate of Interest (each as defined in Condition 3(f) (*Benchmark replacement*))).

### **3. Risks related to Notes denominated in CNY**

Set out below is a description of the principal risks which are relevant to an investor in Notes denominated in CNY.

#### *CNY is not completely freely convertible which may adversely affect the liquidity of the Notes*

CNY is not completely freely convertible at present. The PRC government continues to regulate conversion between CNY and foreign currencies, including the Hong Kong dollar. However, there has been significant reduction in control by the PRC government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of CNY into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of CNY into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC Government.

Although the People's Bank of China ("PBoC") has implemented policies improving accessibility to CNY to settle cross-border transactions in the past, there is no assurance that the PRC government will liberalise control over cross-border remittance of CNY in the future, that the schemes for CNY cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of CNY into or out of the PRC. Despite the CNY internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC government will not impose interim or long-term restrictions on the cross-border remittance of CNY. In the event that funds cannot be repatriated out of the PRC in CNY, this may affect the overall availability of CNY outside the PRC and the ability of the Issuer to source CNY to finance its obligations under Notes denominated in CNY.

#### *There is only limited availability of CNY outside the PRC*

As a result of the restrictions by the PRC government on cross-border CNY fund flows, the availability of CNY outside the PRC is limited. While the PBoC has entered into agreements (the "**Settlement Arrangements**") on the clearing of CNY business with financial institutions (the "**CNY Clearing Banks**") in a number of financial centres and cities, including but not limited to Hong Kong, has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border CNY settlement and is further in the process of establishing CNY clearing and settlement mechanisms in several other jurisdictions, the current size of CNY denominated financial assets outside the PRC is limited.

Furthermore, CNY business participating banks do not have direct CNY liquidity support from PBoC, although PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of CNY. The CNY Clearing Banks only have limited access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient

CNY through the above channels, they will need to source CNY from outside the PRC to square such open positions.

Although it is expected that the offshore CNY market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of CNY outside the PRC. The limited availability of CNY outside the PRC may affect the liquidity of the CNY Notes. To the extent the Issuer is required to source CNY in the offshore market to service its Notes denominated in CNY, there is no assurance that the Issuer will be able to source such CNY on satisfactory terms, if at all.

#### *CNY currency risk*

Except in limited circumstances, all payments of CNY under the Notes to an investor will be made solely by transfer to a CNY bank account maintained with a Hong Kong bank in accordance with the prevailing rules and regulations and in accordance with the Terms and Conditions. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC). In addition, there can be no assurance that access to CNY for the purposes of making payments under the Notes by the Issuer or generally may remain or will not become restricted. If it becomes impossible to convert CNY from/to another freely convertible currency, or transfer CNY between accounts in Hong Kong, or the general CNY exchange market in Hong Kong becomes illiquid, or any CNY clearing and settlement system for participating banks in Hong Kong is disrupted or suspended, any payment of CNY under the Notes may be delayed or the Issuer may make such payments in another currency selected by the Issuer using an exchange rate determined by the Calculation Agent, or the Issuer may need to redeem the Notes by making payment in another currency.

#### *CNY exchange rate risk*

The value of CNY against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The PBoC has in recent years implemented changes to the way it calculates Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of Renminbi against foreign currencies. All payments of interest and principal will be made in CNY in respect of the Notes denominated in CNY unless otherwise specified. As a result, the value of such payments in CNY may vary with the changes in the prevailing exchange rates in the marketplace. If the value of CNY depreciates against another foreign currency, the value of the investment made by a holder of Notes denominated in CNY in that foreign currency will decline.

#### *Interest rate risk*

The PRC government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for CNY in markets outside the PRC may significantly deviate from the interest rate for CNY in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As Notes denominated in CNY may carry a fixed interest rate, the trading price of the Notes denominated in CNY will consequently vary with the fluctuations in the CNY interest rates. If holders of the Notes denominated in CNY propose to sell their Notes before their maturity, they may receive an offer lower than the amount they have invested.

### **C. Risks related to the market generally**

Set out below is a description of the material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk, which may be relevant to an investment in any Notes.

#### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes would generally have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a material adverse effect on the market value of Notes.

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market and additional factors discussed above that may affect the value of the Notes and as such should not be relied upon by investors when making an investment decision. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Furthermore, as a result of the CRA Regulation, if the status of the rating agency rating the Notes changes, European regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European regulated investors selling the Notes which may impact the value of the Notes and any secondary market.

## OTHER INFORMATION FOR INVESTORS

Notes may not be a suitable investment for all investors. Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and all information contained in the applicable Final Terms;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone instruments. They purchase complex financial instruments as a way to enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Each potential investor should consult its own financial and legal advisers about the risks entailed by an investment in any Notes with returns that are calculated with reference to a variable and the suitability of such Notes in light of the potential investor's particular circumstances.

An investment in the Notes may give rise to higher yields than a bank deposit placed with any deposit-taking entity in the NWM NV Group (as defined below) (a "Bank Deposit"). However, an investment in the Notes carries risks which are very different from the risk profile of a Bank Deposit. The Notes are expected to have greater liquidity than a Bank Deposit since Bank Deposits are generally not transferable. However, the Notes may have no established trading market when issued, and one may never develop. See further "Risk Factors – Risk Factors relating to the Notes - Risks relating to the market generally – The secondary market generally". Investments in the Notes do not benefit from any protection provided pursuant to Directive 2014/49/EU or any national implementing measures implementing this Directive in any jurisdiction. Therefore, if the Issuer becomes insolvent or defaults on its obligations, investors investing in such Notes in a worst case scenario could lose their entire investment. Further, under the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*, "FMSA") holders of the Notes may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in such holders losing some or all of their investment. See further "Risk Factors – Risk Factors relating to the Notes – Risks related to the

structure of a particular issue of Notes – The Notes may be written down or converted into ordinary shares".

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

In connection with the issue of any Tranche of Notes, one or more relevant Dealers (if any) (the "Stabilising Manager(s)") (or any person acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

Each Noteholder must act independently as Noteholders do not have the benefit of a trustee. Because the Notes will not be issued pursuant to an indenture, Noteholders will not have the benefit of a trustee to act upon their behalf and each Noteholder will be responsible for acting independently with respect to certain matters affecting such Noteholder's Note, including accelerating the maturity thereof upon the occurrence of an event of default, enforcing any other terms contained therein and responding to any requests for consents, waivers or amendments. See Condition 8 (*Events of default*) and the Terms and Conditions of the Notes.

**MiFID II product governance / target market** – The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers (in each case, in such capacity) nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**UK MiFIR product governance / target market** – The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**UK distributor**") should take into consideration the target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes

(by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

**IMPORTANT – PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – If the applicable Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**"), for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**IMPORTANT – PROHIBITION OF SALES TO UK RETAIL INVESTORS** – If the applicable Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provision of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**CANADIAN NOTICE TO INVESTORS** - The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor. If applicable, pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105

Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

**Benchmarks Regulation** – Interest payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmarks Regulation. Transitional provisions in the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

**PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SFA** – The applicable Final Terms in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to Section 309B(1) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**"). The Issuer will make a determination and provide the appropriate written notification to "relevant persons" as defined in Section 309A(1) of the SFA in relation to each issue about the classification of the Notes being offered for purposes of Section 309B(1)(a) and Section 309B(1)(c) of the SFA.

The Issuer is not a bank nor an authorised deposit-taking institution which is authorised under the Banking Act 1959 (Cth) of Australia (the "**Australian Banking Act**") nor is it authorised to carry on banking business under the Australian Banking Act. The Notes are not obligations of any government and, in particular, are not guaranteed by the Commonwealth of Australia. The Issuer is not supervised by the Australian Prudential Regulation Authority. Notes that are offered for issue or sale or transferred in, or into, Australia are offered only in circumstances that would not require disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act and issued and transferred in compliance with the terms of the exemption from compliance with section 66 of the Australian Banking Act that is available to the Issuer. Such Notes are issued or transferred in, or into, Australia in parcels of not less than A\$500,000 in aggregate principal amount. An investment in any Notes issued by the Issuer will not be covered by the depositor protection provisions in section 13A of the Australian Banking Act and will not entitle Noteholders to claim under the financial claims scheme under Division 2AA of the Australian Banking Act.

### **Forward-looking Statements**

This Base Prospectus, including certain documents incorporated by reference herein, contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, such as statements that include without limitation, the words "expect", "estimate", "project", "anticipate", "commit", "believe", "should", "intend", "plan", "could", "probability", "risk", "Value-at-Risk (VaR)", "target", "goal", "objective", "may", "endeavour", "outlook", "optimistic", "prospects" and similar expressions or variations on these expressions. These statements concern or may affect future matters, such as the NatWest Group and the NWM NV Group's future economic results, business plans and current strategies. In particular, this Base Prospectus, including certain documents incorporated by reference herein, may include forward-looking statements relating to the NatWest Group and the NWM NV Group's (each as defined herein) regulatory capital position and funding requirements, financial position, ongoing litigation and regulatory investigations, profitability and financial performance (including financial performance targets and expectations), NWM NV Group's reliance on the NatWest Group for capital, liquidity and funding support, structural reform and the implementation of the UK ring-fencing regime, the implementation of the NatWest Group and NWM NV Group's restructuring and transformation programme, impairment losses and

credit exposures under certain specified scenarios, increasing competition from new incumbents and disruptive technologies and the NatWest Group and the NWM NV Group's exposure to political and economic risks (including with respect to Brexit), operational risk, conduct risk, cyber and IT risk and credit rating risk. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate fluctuations and general economic and political conditions and the uncertainty surrounding the COVID-19 pandemic and its impact on NatWest Group and NWM NV Group. These and other factors, risks and uncertainties that may impact any forward-looking statement or the NWM NV Group's actual results are discussed in this Base Prospectus. The forward-looking statements contained in this Base Prospectus, including certain documents incorporated by reference herein, speak only as of the date of such document and the NatWest Group and the NWM NV Group do not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

### **Responsibility**

The Issuer, registered at Claude Debussylaan 94, 1082 MD Amsterdam, The Netherlands, accepts responsibility for the information contained in this Base Prospectus (including any Final Terms or Pricing Supplement) and, to the best of its knowledge, the information contained in this Base Prospectus (including any Final Terms or Pricing Supplement) is in accordance with the facts and this Base Prospectus (including any Final Terms or Pricing Supplement) makes no omission likely to affect its import.



## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been (1) previously published and (2) approved by the AFM or filed with it, shall be deemed to be incorporated in, and form part of, this Base Prospectus:

- (a) the articles of association of the Issuer, which can be obtained from <https://investors.natwestgroup.com/fixed-income-investors/company-legal-structure>;
- (b) the unaudited consolidated interim financial statements of NWM NV, together with the notes and the management's report thereon, for the six month period ended 30 June 2021, set forth in the section entitled "Financial Statements" on pages 5 up to and including 27 and the section entitled "Management's report on the interim financial statements" on page 31 of NWM NV's 2021 interim report (the "**2021 Interim Financial Statements**"), which can be obtained from <https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/results-center/30072021/natwest-markets-nv-h1-results.pdf>;
- (c) the audited consolidated financial statements of NWM NV, together with the audit report thereon, for the year ended 31 December 2020, set forth in the section entitled "Financial Statements" on pages 51 up to and including 101 and the section entitled "Risk and Capital Management" on pages 11 up to and including 42 (only where information is identified as "audited") of NWM NV's 2020 annual report (the "**2020 Financial Statements**"), which can be obtained from <https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/results-center/19022021/natwest-markets-nv-annual-report-fy2020-v1.pdf>; and
- (d) the audited consolidated financial statements of NWM NV, together with the audit report thereon, for the year ended 31 December 2019, set forth in the section entitled "Financial Statements" on pages 43 up to and including 89 and the section entitled "Capital and Risk Management" on pages 7 up to and including 34 (only where information is identified as "audited") of NWM NV's 2019 annual report (the "**2019 Financial Statements**"), which can be obtained from <https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/results-center/nwm-n-v-ara-2019-130320-1000-v2.pdf>.

Any information or other documents themselves incorporated by reference, either expressly or implicitly, in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus and has not been scrutinised or approved by the AFM, except where such information or other documents are specifically incorporated by reference into this Base Prospectus.

It should be noted that, except as set forth above, no other portion of the above documents is incorporated by reference into this Base Prospectus. In addition, where sections of any of the above documents which are incorporated by reference into this Base Prospectus cross-reference other sections of the same document, such cross-referenced information shall not form part of this Base Prospectus, unless otherwise incorporated by reference herein. Those parts of the documents incorporated by reference which are not specifically incorporated by reference in this Base Prospectus are either not relevant for prospective investors in the Notes or the information is included elsewhere in this Base Prospectus. Any statements on the Issuer's competitive position included in a document which is incorporated by reference herein and where no external source is identified are based on the Issuer's internal assessment of generally available information.

The Issuer will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the information which is incorporated herein by reference. Written or oral requests for such information should be directed to the Issuer at: NatWest Markets N.V., Claude Debussylaan 94, 1082 MD Amsterdam, The Netherlands. This Base Prospectus and copies of documents incorporated by reference in this Base Prospectus can also be obtained from <https://investors.natwestgroup.com/regulatory-news/company-announcements>. The other information included on or linked to through this website or in any website referred to in this Base Prospectus, any Final

Terms or in any document incorporated by reference into this Base Prospectus is not a part of this Base Prospectus and has not been scrutinised or approved by the AFM.

## **SUPPLEMENTAL PROSPECTUS**

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new prospectus in accordance with the Prospectus Regulation for use in connection with any subsequent issue of Notes. The Issuer has undertaken to the Dealers in the Programme Agreement (as defined in "Subscription and Sale") that it will comply with Article 23 of the Prospectus Regulation.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

## FORM OF THE NOTES

The Notes of each Tranche will be in bearer form. Notes will be issued outside the United States in reliance on the exemption from registration provided by Regulation S under the Securities Act ("**Regulation S**").

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global Note or, if so specified in the applicable Final Terms, a permanent global Note which, in either case, will, (i) if the global Notes are to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to the Common Safekeeper for Euroclear and Clearstream, Luxembourg; (ii) if the global Notes are to be issued in CGN form, be delivered on or prior to the original issue date of the Tranche to the Common Depositary for Euroclear and Clearstream, Luxembourg; and (iii) if the global Notes are to be issued in respect of CMU Notes, be delivered on or prior to the original issue date of the Tranche to the sub-custodian for the CMU Service. Delivering the global Notes in NGN form to the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. Whilst any Note is represented by a temporary global Note, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made (against presentation of the temporary global Note if the temporary global Note is issued in CGN form) outside the United States and its possessions only to the extent that certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations (in the form referred to in the temporary global Note) has been received by (in the case of Notes other than CMU Notes) Euroclear and/or Clearstream, Luxembourg or (in the case of CMU Notes) the CMU Lodging and Paying Agent. See the description of "CMU Service" in "General Information and Recent Developments" for further details of the process for certification of non-U.S. beneficial ownership in relation to CMU Notes.

If the global Note is issued in CGN form, upon the initial deposit of a global Note with the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the global Note is issued in NGN form, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. If the global Note is issued in respect of CMU Notes, upon initial lodgement of a global Note with a sub-custodian of the CMU Service, the CMU Service will credit the account maintained by each initial purchaser with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. The records of such clearing systems shall be conclusive evidence of the nominal amount of Notes represented by the global Note and a statement issued by a clearing system at any time shall be conclusive evidence of the records of such clearing system at that time.

On and after the date (the "**Exchange Date**") which is 40 days after the date on which the temporary global Note is issued, interests in the temporary global Note will be exchangeable either for (a) interests in a permanent global Note without Coupons or Talons or (b) for definitive Notes (where the applicable Final Terms so permit), in each case, against certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations in accordance with the terms set out in the temporary global Note, unless such certification has already been given as described in the last sentence of the first paragraph above. The holder of a temporary global Note will not be entitled to receive any payment of interest or principal due on or after the Exchange Date.

Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Notes" below), in the case of Notes other than CMU Notes, the Agent or, in the case of CMU Notes, the CMU Lodging and Paying Agent (each as so defined) shall arrange that, where a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned a common code, ISIN and/or, in the case of CMU Notes only, a CMU instrument number (as the case may be) which are different from the common code, ISIN and/or CMU instrument number (as the case may be) assigned to Notes of any other Tranche of the same Series and shall remain different until at least 40 days after the completion of the distribution of the Notes of such further Tranche

as certified by, in the case of Notes other than CMU Notes, the Agent or, in the case of CMU Notes, the CMU Lodging and Paying Agent to the relevant Dealer(s). Payments of principal and interest (if any) on a permanent global Note will be made, in the case of Notes other than CMU Notes, through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the permanent global Note if the permanent global Note is in CGN form) or, in the case of CMU Notes, in accordance with the rules of the CMU Service, in any case outside the United States and without any requirement for certification. Where the applicable Final Terms so permit, a permanent global Note will be exchangeable in whole or (subject to the Notes which continue to be represented by the permanent global Note being regarded by, in the case of Notes other than CMU Notes, Euroclear and Clearstream, Luxembourg or, in the case of CMU Notes, the CMU Service as fungible with the definitive Notes issued in partial exchange for such permanent global Note) in part, for security-printed definitive Notes with, where applicable, Coupons and Talons attached, either (a) on 60 days' notice given at any time, from (in the case of Notes other than CMU Notes) Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) to the Agent or (in the case of CMU Notes) the CMU Lodging and Paying Agent (acting on the instructions of any holder of an interest in such permanent global Note given through the CMU Service in accordance with its rules), in any case as described therein or (b) only upon the occurrence of an Exchange Event.

For these purposes, "**Exchange Event**" means:

- (A) in the case of issues of Notes which have denominations of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, as specified in the applicable Final Terms, (i) that an Event of Default (as defined in "Terms and Conditions of the Notes" below) has occurred and is continuing or (ii) that the Issuer has been notified that, in the case of Notes other than CMU Notes, both Euroclear and Clearstream, Luxembourg have or, in the case of CMU Notes, the CMU Service has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have/has announced an intention permanently to cease business or have/has in fact done so and no successor clearing system is available; and
- (B) in the case of all other issues of Notes, (i) that an Event of Default (as defined in "Terms and Conditions of the Notes" below) has occurred and is continuing, or (ii) that the Issuer has been notified that, in the case of Notes other than CMU Notes, both Euroclear and Clearstream, Luxembourg have or, in the case of CMU Notes, the CMU Service has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have/has announced an intention permanently to cease business or have/has in fact done so and no successor clearing system is available or (iii) at the option of the Issuer at any time.

The applicable Final Terms may provide that for the purposes of a particular permanent global Note, the definition of "Exchange Event" shall be "that the Issuer has been notified that, in the case of Notes other than CMU Notes, both Euroclear and Clearstream, Luxembourg have or, in the case of CMU Notes, the CMU Service has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise and no successor clearing system is available)" (the "**Limited Exchange Event**").

The Issuer will promptly give notice to Noteholders in accordance with Condition 12 if an Exchange Event described in (i) or (ii) in each of subparagraphs (A) and (B) above occurs or if it decides to exercise its option described in (iii) in subparagraph (B) above. In the event of the occurrence of an Exchange Event, in the case of Notes other than CMU Notes, Euroclear and/or Clearstream, Luxembourg or, in the case of CMU Notes, the CMU Service (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to, in the case of Notes other than CMU Notes, the Agent or, in the case of CMU Notes, the CMU Lodging and Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) in subparagraph (B) above, the Issuer may give notice to, in the case of Notes other than CMU Notes, the Agent or, in the case of CMU Notes, the CMU Lodging and Paying Agent

requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by, in the case of Notes other than CMU Notes, the Agent or, in the case of CMU Notes, the CMU Lodging and Paying Agent.

Global Notes and definitive Notes will be issued pursuant to the Agency Agreement. No definitive Note delivered in exchange for a permanent global Note will be mailed or otherwise delivered to any location in the United States in connection with such exchange. At the date hereof, none of Euroclear, Clearstream, Luxembourg and the CMU Service regards Notes in global form as fungible with Notes in definitive form. Temporary global Notes, permanent global Notes and definitive Notes will be authenticated and delivered by, in the case of Notes other than CMU Notes, the Agent or, in the case of CMU Notes, the CMU Lodging and Paying Agent on behalf of the Issuer.

If, in respect of any Tranche of Notes, the applicable Final Terms specifies that a global Note may be exchanged for definitive Notes in circumstances other than upon the occurrence of an Exchange Event, such Notes will be issued with only one Specified Denomination or all Specified Denominations of such Notes will be an integral multiple of the lowest Specified Denomination, as specified in the applicable Final Terms.

Save where TEFRA is stated to be "Not Applicable" in the applicable Final Terms, the following legend will appear on all permanent global Notes and definitive bearer Notes which have an original maturity of more than 365 days and on all Coupons and Talons relating to such Notes:

**"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."**

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Agent and any Paying Agent (as defined in "Terms and Conditions of the Notes" below) as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal (including premium (if any)) and interest on such Notes, the right to which shall be vested, as against the Issuer and any Paying Agent, solely in the bearer of the global Note in accordance with and subject to its terms and the expressions "**Noteholder**", "**holder of Notes**" and related expressions shall be construed accordingly.

For so long as any of the Notes is represented by a global Note held by or on behalf of the CMU Operator, each person for whose account a relevant interest in such global Note is credited as being held by the CMU Operator, as notified to the CMU Lodging and Paying Agent by the CMU Operator in a relevant CMU Instrument Position Report or in any other relevant notification by the CMU Operator shall be deemed to be the holder of a corresponding nominal amount of such Notes (and the holder of the relevant global Note shall not be deemed to be the holder) for all purposes other than with respect to the payment of principal or interest on such Notes, the right to which shall be vested, as against the Issuer and the CMU Lodging and Paying Agent, solely in the bearer of such global Note and for which purpose the bearer of such global Note shall be deemed to be the holder of such nominal amount of such Notes in accordance with and subject to its terms and the expressions "**Noteholder**", "**holder of Notes**" and related expressions shall be construed accordingly. For these purposes, a notification from the CMU Service shall be conclusive and binding evidence of the identity of any holder of Notes and the nominal amount of any Notes represented by such global Note credited to its account (save in the case of manifest error).

Notes which are represented by a global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, as the case may be.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer and the Agent.

## TERMS AND CONDITIONS OF THE NOTES

*The following are (subject to completion and other than the paragraphs in italics) the Terms and Conditions of Notes which will be (i) incorporated by reference into each global Note and (ii) endorsed upon each definitive Note (if any) or incorporated therein by reference. The following Terms and Conditions are subject to completion in accordance with the provisions of the applicable Final Terms or completion, replacement or modification in accordance with the provisions of the applicable Pricing Supplement (each as defined below) in relation to any Notes. Reference should be made to the section headed "Forms of Final Terms" and "Forms of Pricing Supplement" for the forms of Final Terms and Pricing Supplement, as applicable, which will include the definition of certain terms used in the following Terms and Conditions.*

In these Terms and Conditions, the expression "**Notes**" shall mean (i) in relation to any Notes represented by a global Note, units of each Specified Denomination in the Specified Currency (each as defined in the applicable Final Terms (as defined below)) of the relevant Notes, (ii) definitive Notes issued in exchange for a temporary global Note or a permanent global Note and (iii) any global Note.

Interest bearing definitive Notes will have interest coupons ("**Coupons**") and, if applicable, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupon(s) or Couponholder(s) (as defined below) shall, unless the context otherwise requires, be deemed to include a reference to Talon(s) or Talonholder(s) (as defined below), respectively. Any reference herein to "**Noteholders**" shall mean the holders of the Notes, and shall, in relation to any Notes represented by a global Note, be construed as provided below.

The Notes, Coupons and Talons have the benefit of an agency agreement dated 30 September 2021, as modified and/or supplemented and/or restated from time to time, made between NatWest Markets N.V. (the "**Issuer**") and The Bank of New York Mellon, London Branch as agent (the "**Agent**", which expression shall include any successor as agent), The Bank of New York Mellon SA/NV, Luxembourg Branch as a further paying agent, The Bank of New York Mellon, Hong Kong Branch as CMU lodging agent and paying agent (the "**CMU Lodging and Paying Agent**", which expression shall include any successor CMU Lodging and Paying Agent) (the CMU Lodging and Paying Agent together with the Agent and The Bank of New York Mellon SA/NV, Luxembourg Branch and any additional or successor paying agent(s), the "**Paying Agents**") (such Agreement as further amended, supplemented or restated from time to time, the "**Agency Agreement**"). Payments in respect of the Notes will be made under the Agency Agreement.

Notes may be issued at such times as shall be agreed between the Issuer and the relevant Dealer(s) pursuant to a programme agreement dated 30 September 2021 between the Issuer and the Dealers named therein. The Issuer and the relevant Dealer(s) shall, prior to the time of issue of any Notes, agree upon the relevant provisions of the Notes to be issued pursuant to the terms set out below, such provisions to be indicated in the applicable Final Terms (as defined below).

The applicable Pricing Supplement in relation to any Tranche of Notes for which no prospectus is required to be published under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") ("**Exempt Notes**"), may specify terms and conditions other than those set out herein which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purpose of such Notes. For the avoidance of doubt, the Final Terms in relation to each Tranche of Notes (other than Exempt Notes) shall not modify or replace the Terms and Conditions of the Notes as set out herein. The applicable Final Terms (which term in these Terms and Conditions in relation to Exempt Notes shall be deemed to refer to the applicable Pricing Supplement where relevant, as set out below) (or the relevant provisions thereof) will be attached hereto or endorsed hereon.

References herein to the "**applicable Final Terms**" are to Part A of the Final Terms (or, in the case of Exempt Notes, Part A of the Pricing Supplement) attached hereto or endorsed hereon and expressions defined or used in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) shall have



the same meanings in these Terms and Conditions, unless the context otherwise requires or unless otherwise stated.

The following statements are summaries of the detailed provisions of the Agency Agreement and the applicable Final Terms. Copies of the Agency Agreement (which contains the forms of the Notes, Coupons and Talons and the form of the Final Terms for each issue of Notes) will be available for inspection, free of charge, during normal business hours at the specified office of each of the Paying Agents. A copy of the applicable Final Terms in relation to Notes may be obtained from the specified office of each of the Paying Agents. The Noteholders, the holders of the Coupons (the "**Couponholders**") and the holders of the Talons (the "**Talontholders**") will be deemed to have notice of, and will be entitled to the benefit of, all the provisions of the Agency Agreement, which will be binding on them. Words and expressions defined in the Agency Agreement shall have the same meanings where used herein unless the context otherwise requires or unless otherwise stated.

As used herein, "**Series**" means the Notes of each original issue of Notes together with the Notes of any further issues expressed to be consolidated and form a single series with the Notes of an original issue and which are denominated in the same currency and the terms of which (save for the Issue Date, the Interest Commencement Date or the Issue Price) are otherwise identical (including whether or not they are listed on any stock exchange) and shall be deemed to include the temporary and permanent global Notes and the definitive Notes of such Series; and the expressions "**Notes of the relevant Series**" and "**holders of Notes of the relevant Series**" and related expressions shall be construed accordingly. As used herein, "**Tranche**" means all Notes of the same Series with the same Issue Date, Interest Commencement Date and Issue Price.

As used herein, "**CNY**" and "**Renminbi**" each mean the lawful currency of the PRC and "**PRC**" means the People's Republic of China which, for the purpose of these Terms and Conditions, excludes the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan.

As used herein, "**Calculation Agent**" means NatWest Markets Plc or any other person specified as the calculation agent in the applicable Final Terms.

## **1 Form, Denomination and Title**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s) specified in the applicable Final Terms.

This Note may (i) bear interest calculated by reference to one or more fixed rates of interest (such Note, a "**Fixed Rate Note**"), (ii) bear interest calculated by reference to, in the case of an initial period, an initial fixed rate of interest and, thereafter, the applicable fixed rate of interest that has been determined pursuant to the reset provisions contained in these Terms and Conditions, by reference to a mid-market swap rate for the Specified Currency (such Note, a "**Reset Note**"), (iii) bear interest calculated by reference to one or more floating rates of interest (such Note, a "**Floating Rate Note**"), (iv) be issued on a non-interest bearing basis and be offered and sold at a discount to its nominal amount (such Note, a "**Zero Coupon Note**") or (v) be a combination of any of the foregoing.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer, the Replacement Agent (as defined in the Agency Agreement) and any Paying Agent may (to the fullest extent permitted by applicable law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next two succeeding paragraphs. The holder of each Coupon, whether or not such Coupon is attached to a Note, shall be subject to and bound by all the provisions contained in the relevant Note.

For so long as any of the Notes of this Tranche is represented by a global Note (including Notes issued in new global note ("NGN") form, as specified in the applicable Final Terms) held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer and any Paying Agent, solely in the bearer of the relevant global Note in accordance with and subject to its terms (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

For so long as any of the Notes in this Tranche is represented by a global Note held by or on behalf of the Hong Kong Monetary Authority as operator (the "**CMU Operator**") of the Central Moneymarkets Unit Service ("**CMU Service**"), each person for whose account a relevant interest in such global Note is credited as being held by the CMU Operator, as notified to the CMU Lodging and Paying Agent by the CMU Operator in a relevant CMU Instrument Position Report or in any other relevant notification by the CMU Operator (which notification, in either case, shall be conclusive evidence of the records of the CMU Operator save in the case of manifest error) shall be deemed to be the holder of a corresponding nominal amount of the Notes (and the holder of the relevant global Note shall not be deemed to be the holder) for all purposes other than with respect to the payment of principal or interest on such Notes, the right to which shall be vested, as against the Issuer and the CMU Lodging and Paying Agent, solely in the bearer of such global Note and for which purpose the bearer of such global Note shall be deemed to be the holder of such nominal amount of such Notes in accordance with and subject to its terms (and the expressions "**Noteholder**", "**holder of Notes**" and related expressions shall be construed accordingly). For these purposes, a notification from the CMU Service shall be conclusive and binding evidence of the identity of any holder of Notes and the nominal amount of any Notes represented by such global Note credited to its account (save in the case of manifest error).

Any reference to "**CMU Notes**" means Notes denominated in any currency which the CMU Service accepts for settlement from time to time that are, or are intended to be, initially cleared through the CMU Service.

Any reference to "**Euroclear**" and/or "**Clearstream, Luxembourg**" and/or "**CMU Service**" shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Agent.

## **2 Status of the Notes**

The Notes and the Coupons relating thereto (if any) constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves and with all other present and future direct, unconditional, unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory and/or overriding provisions of law.

## **3 Interest**

### *(a) Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date specified in the applicable Final Terms at the rate(s) per annum equal to the Rate(s) of Interest payable in arrear on the date(s) so specified in the applicable Final Terms on which interest is payable in each year

(each, an "**Interest Payment Date**") (subject to adjustment as described below) and on the Maturity Date so specified if that does not fall on an Interest Payment Date. If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date will be the Fixed Coupon Amount if one is specified in the applicable Final Terms. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the period from the Interest Commencement Date to such Interest Payment Date differs from the period between subsequent Interest Payment Dates, the amount of the first interest payment will be the initial Broken Amount specified in the applicable Final Terms. If the Maturity Date is not an Interest Payment Date, interest from (and including) the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will be the final Broken Amount specified in the applicable Final Terms.

If the Modified Following Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date (or other date) should occur or (y) if any Interest Payment Date (or other date) would otherwise fall on a day which is not a Business Day, then such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day. Unless the applicable Final Terms specify that the Business Day Convention is "adjusted", any such adjustment to an Interest Payment Date (or other date) shall not affect the amount of interest payable in respect of a Fixed Rate Note and, for the purposes of the determination of any amount in respect of interest and the applicable Day Count Fraction, the number of days in the relevant period shall be calculated on the basis that no adjustment has been made to the relevant Interest Payment Date (or other date).

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such global Note; or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 3(a):

- (i) If "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:
  - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date or, if different from the Issue Date, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in

one calendar year assuming interest was to be payable in respect of the whole of that year; or

- (b) in the case of Notes where the Accrual Period is longer than the Determination Period commencing on the last Interest Payment Date on which interest was paid (or, if none, the Issue Date or, if different from the Issue Date, the Interest Commencement Date), the sum of:

- (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and
- (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year;

- (ii) if "**30/360**" is specified in the applicable Final Terms, the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date or, if different from the Issue Date, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

- (iii) if "**RBA Bond Basis**" is specified in the applicable Final Terms, one divided by the number of Interest Payment Dates in each twelve-month period (or, where the calculation period does not constitute an Interest Period, the actual number of days in the calculation period divided by 365 (or, if any portion of the calculation period falls in a leap year, the sum of:

- (1) the actual number of days in that portion of the calculation period falling in a leap year divided by 366; and
- (2) the actual number of days in that portion of the calculation period falling in a non-leap year divided by 365)); and

- (iv) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365.

In this Condition:

"**Business Day**" has the meaning given to it in Condition 3(c)(i);

"**Determination Period**" means the period from (and including) a Determination Date (as specified in the applicable Final Terms) to (but excluding) the next Determination Date;

"**euro**" has the meaning given to it in Condition 3(c)(i); and

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

- (b) *Interest on Reset Notes*

- (i) *Rates of Interest and Interest Payment Dates*

Each Reset Note bears interest:

- (A) from (and including) the Interest Commencement Date specified in the applicable Final Terms until (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;
- (B) from (and including) the First Reset Date until (but excluding) the first Subsequent Reset Date or, if no Subsequent Reset Date is specified in the applicable Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and
- (C) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on the date(s) so specified in the applicable Final Terms on which interest is payable in each year (each an **"Interest Payment Date"**) (subject to adjustment as described in the second paragraph of Condition 3(a)) and on the Maturity Date if that does not fall on an Interest Payment Date. The Rate of Interest and the amount of interest (the **"Interest Amount"**) payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 3(a) and, for such purposes, references in the second and third paragraphs of Condition 3(a) to "Fixed Rate Notes" shall be deemed to be to "Reset Notes" and Condition 3(a) shall be construed accordingly.

In these Terms and Conditions:

**"First Margin"** means the margin specified as such in the applicable Final Terms;

**"First Reset Date"** means the date specified in the applicable Final Terms;

**"First Reset Period"** means the period from (and including) the First Reset Date until (but excluding) the first Subsequent Reset Date or, if no Subsequent Reset Date is specified in the applicable Final Terms, the Maturity Date;

**"First Reset Rate of Interest"** means, in respect of the First Reset Period and subject to Condition 3(b)(ii)(B) (if applicable), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the First Margin, adjusted if necessary in accordance with market convention in the manner determined by the Calculation Agent;

**"Initial Mid-Swap Rate"** has the meaning specified in the applicable Final Terms;

**"Initial Rate of Interest"** has the meaning specified in the applicable Final Terms;

**"Mid-Market Swap Rate"** means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Original Mid-Swap Rate Basis (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the applicable Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

**"Mid-Market Swap Rate Quotation"** means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

**"Mid-Swap Floating Leg Benchmark Rate"** means either (i) the Reference Rate specified in the applicable Final Terms or (ii) if no such Reference Rate is specified, EURIBOR if the Specified Currency is euro;

**"Mid-Swap Rate"** means, in relation to a Reset Determination Date and subject to Condition 3(b)(ii), either:

- (A) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:
  - (1) with a term equal to the relevant Reset Period; and
  - (2) commencing on the relevant Reset Date,which appears on the Relevant Screen Page; or
- (B) if Mean Mid-Swap Rate is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:
  - (1) with a term equal to the relevant Reset Period; and
  - (2) commencing on the relevant Reset Date,which appear on the Relevant Screen Page,

in either case, as at approximately the Reset Determination Time on such Reset Determination Date, all as determined by the Calculation Agent;

**"Non-Sterling Reference Bond Rate"** means, with respect to any Reset Period and related Reset Determination Date, the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reset Reference Bond, assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

**"Original Mid-Swap Rate Basis"** has the meaning given in the applicable Final Terms. In the case of Notes other than Exempt Notes, the Original Mid-Swap Rate Basis shall be annual, semi-annual, quarterly or monthly;

**"Rate of Interest"** means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

**"Reference Government Bond Dealer"** means each of five banks selected by the Issuer (following, where practicable, consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Calculation Agent), or the affiliates of such banks, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

**"Reference Government Bond Dealer Quotations"** means, with respect to each Reference Government Bond Dealer and any Reset Determination Date, the arithmetic average (as determined by the Calculation Agent), of the bid and offered prices for the Reset Reference Bond (expressed in each case as a percentage of its principal amount) as at the Reset Determination Time on such Reset Determination Date and, if relevant, on a dealing basis for settlement that is customarily used at such time and quoted in writing to the Calculation Agent by such Reference Government Bond Dealer;

**"Reset Date"** means the First Reset Date and each Subsequent Reset Date (as applicable), in each case as adjusted (if so specified in the applicable Final Terms) in accordance with Condition 3(a) as if the relevant Reset Date was an Interest Payment Date;

**"Reset Determination Date"** means, in respect of the First Reset Period, the second Business Day prior to the First Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period;

**"Reset Period"** means the First Reset Period or a Subsequent Reset Period, as the case may be;

**"Reset Period Maturity Initial Mid-Swap Rate"** has the meaning specified in the applicable Final Terms;

**"Reset Reference Bond"** means for any Reset Period a government security or securities issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) selected by the Issuer (after consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Calculation Agent) as having the nearest actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the Issuer) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the relevant Reset Period;

**"Reset Reference Bond Price"** means, with respect to any Reset Determination Date:

- (A) the arithmetic average (as determined by the Calculation Agent) of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations; or
- (B) if fewer than five but more than one such Reference Government Bond Dealer Quotations are received, the arithmetic average (as determined by the Calculation Agent) of all such quotations; or
- (C) if only one Reference Government Bond Dealer Quotation is received, such quotation; or
- (D) if no Reference Government Bond Dealer Quotations are received when U.S. Treasury Rate does not apply, in the case of the First Reset Rate of Interest, the Initial Reference Rate and, in the case of any Subsequent Reset Rate of Interest, the Reset Reference Rate as at the last preceding Reset Date, or when U.S. Treasury Rate does apply, the
- (E) U.S. Treasury Rate shall be determined in accordance with the second paragraph in the definition of U.S. Treasury Rate;

**"Reset Reference Rate"** means one of (i) the Mid-Swap Rate, (ii) the Sterling Reference Bond Rate, (iii) the Non-Sterling Reference Bond Rate or (iv) the U.S. Treasury Rate, as specified in the applicable Final Terms;

**"Sterling Reference Bond Rate"** means, with respect to any Reset Period and related Reset Determination Date, the gross redemption yield in respect of the Reset Reference Bond expressed as a percentage and calculated by the Calculation Agent on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields", page 5, Section One: Price/Yield Formulae "Conventional Gilts; Double dated

and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such basis is no longer in customary market usage at such time, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Issuer following consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Calculation Agent), on an annual or semi-annual (as the case may be) compounding basis (rounded up (if necessary) to four decimal places) of the Reset Reference Bond in respect of that Reset Period, assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

**"Subsequent Margin"** means the margin specified as such in the applicable Final Terms;

**"Subsequent Reset Date"** means the date or dates specified in the applicable Final Terms;

**"Subsequent Reset Period"** means the period from (and including) the first Subsequent Reset Date to (but excluding) the next Subsequent Reset Date (or, if none, the Maturity Date), and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (or, if none, the Maturity Date); and

**"Subsequent Reset Rate of Interest"** means, in respect of any Subsequent Reset Period and subject to Condition 3(b)(ii) (if applicable), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the relevant Subsequent Margin, adjusted if necessary in accordance with market convention in the manner determined by the Calculation Agent; and

**"U.S. Treasury Rate"** means, with respect to any Reset Period and related Reset Determination Date, the rate per annum calculated by the Calculation Agent equal to: (1) the average of the yields on actively traded U.S. Treasury securities adjusted to constant maturity, for a maturity comparable with the Reset Period, for the five business days immediately prior to the Reset Determination Date and appearing under the caption "Treasury constant maturities" at the Reset Determination Time on the Reset Determination Date in the applicable most recently published statistical release designated "H.15 Daily Update", or any successor publication that is published by the Board of Governors of the Federal Reserve System that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity, under the caption "Treasury Constant Maturities", for a maturity comparable with the Reset Period; or (2) if such release (or any successor release) is not published during the week immediately prior to the Reset Determination Date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Reset Reference Bond, calculated using a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

If the U.S. Treasury Rate cannot be determined, for whatever reason, as described under (1) or (2) above, "U.S. Treasury Rate" means the rate in percentage per annum as notified by the Calculation Agent to the Issuer equal to the yield on U.S. Treasury securities having a maturity comparable with the Reset Period as set forth in the most recently published statistical release designated "H.15 Daily Update" under the caption "Treasury constant maturities" (or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury constant maturities" for the maturity comparable with the Reset Period) and as at the Reset Determination Time on the last available



date preceding the Reset Determination Date on which such rate was set forth in such release (or any successor release).

(ii) *Fallbacks*

Where the Mid-Swap Rate is specified in the applicable Final Terms as the Reset Reference Rate, if on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page (subject to Condition 3(f)), the Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the sum of the relevant Mid-Market Swap Rate Quotation provided and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph:

- (A) in the case of the first Reset Determination Date only, the First Reset Rate of Interest will be equal to the sum of:
  - (1) if Initial Mid-Swap Rate Final Fallback is specified in the applicable Final Terms as being applicable, (i) the Initial Mid-Swap Rate and (ii) the First Margin;
  - (2) if Reset Period Maturity Initial Mid-Swap Rate Final Fallback is specified in the applicable Final Terms as being applicable, (i) the Reset Period Maturity Initial Mid-Swap Rate and (ii) the First Margin; or
  - (3) if Last Observable Mid-Swap Rate Final Fallback is specified in the applicable Final Terms as being applicable, (i) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (ii) the First Margin; or
- (B) in the case of any Reset Determination Date other than the first Reset Determination Date, the Subsequent Reset Rate of Interest shall be equal to the sum of:
  - (1) if Subsequent Reset Rate Mid-Swap Rate Final Fallback is specified in the applicable Final Terms as being applicable, (i) the Mid-Swap Rate determined on the last preceding Reset Determination Date and (ii) the Subsequent Margin; or
  - (2) if Subsequent Reset Rate Last Observable Mid-Swap Rate Final Fallback is specified in the applicable Final Terms as being applicable, (i) the last

observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (ii) the Subsequent Margin,

all as determined by the Calculation Agent taking into consideration all available information that it in good faith deems relevant.

For the purposes of this Condition 3(b)(ii) "**Reference Banks**" means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute.

(iii) *Notification of First Reset Rate of Interest, Subsequent Reset Rate of Interest and Interest Amount*

The Calculation Agent will cause the First Reset Rate of Interest, any Subsequent Reset Rate of Interest and, in respect of a Reset Period, the Interest Amount payable on each Interest Payment Date falling in such Reset Period to be notified to the Issuer, the Agent and any stock exchange or other relevant authority on which the relevant Reset Notes are for the time being listed and notice thereof to be published in accordance with Condition 12 as soon as possible after their determination but in no event later than the fourth London Business Day (where a "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London) thereafter.

(iv) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(b) by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Agent, the Calculation Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of bad faith and wilful default) no liability to the Issuer the Noteholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Floating Rate Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) (each an "**Interest Payment Date**") in each year specified in the applicable Final Terms; or
- (B) if no Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each also an "**Interest Payment Date**") which (save as otherwise mentioned in these Terms and Conditions or specified in the applicable Final Terms) falls the number of months or such other periods specified as the Interest Period(s) in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date (or

other date) should occur or (y) if any Interest Payment Date (or other date) would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in the case where an Interest Period is specified in accordance with the preceding paragraph (B), the Floating Rate Convention, such Interest Payment Date (or other date) (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date (or other date) shall be the last Business Day of the month in which such Interest Payment Date (or other date) would have fallen; or
- (B) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day, save in respect of Notes for which the Reference Rate is SOFR, for which the final Interest Payment Date will not be postponed and interest on that payment will not accrue during the period from and after the scheduled final Interest Payment Date; or
- (D) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day.

In this Condition:

**"Business Day"** means:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Amsterdam and the Business Centre(s) (if any) specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (if other than London) which, if the Specified Currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively and which, if the Specified Currency is Renminbi, shall be Hong Kong or (2) in relation to any sum payable in euro, a day on which the Trans European Automated Real time Gross Settlement Express Transfer (TARGET2) System, or any successor thereto, (the **"TARGET2 System"**) is open;

**"euro"** means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union as amended; and

**"Interest Period"** means the period from and including an Interest Payment Date (or the Interest Commencement Date) to but excluding the next (or first) Interest Payment Date which may or may not be the same number of months or other period throughout the life of the Notes.

(ii) *Rate of Interest*

The rate of interest (the "**Rate of Interest**") payable from time to time in respect of this Note if it is a Floating Rate Note will be determined in the manner specified in the applicable Final Terms.

(iii) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this paragraph (iii), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Swap Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period equal to that Interest Period; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the Euro inter bank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this paragraph (iii), (a) "**ISDA Definitions**" means the 2006 ISDA Definitions, as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series, published by the International Swaps and Derivatives Association, Inc. and, if specified in the applicable Final Terms, as supplemented by the ISDA Benchmarks Supplement; (b) "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions and "**Swap Calculation Agent**" has the meaning given to the term "**Calculation Agent**" in the ISDA Definitions and (c) "**ISDA Benchmarks Supplement**" means the Benchmarks Supplement (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the applicable Final Terms)) published by the International Swaps and Derivatives Association, Inc.

When this paragraph (iii) applies, in respect of each relevant Interest Period:

- (A) the Rate of Interest for such Interest Period will be the Floating Rate determined by the Calculation Agent in accordance with this paragraph (iii) plus or minus (as indicated in the applicable Final Terms) the Margin (if any); and
- (B) the Calculation Agent will be deemed to have discharged its obligations under Condition 3(c)(ix) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this paragraph (iii).

(iv) *Screen Rate Determination for Floating Rate Notes (other than Floating Rate Notes which reference SONIA, SOFR, €STR or SARON)*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is not SONIA, SOFR, €STR or SARON, the Rate of Interest for each Interest Period will, subject as provided below and subject to Condition 3(f), be either:

- (C) the offered quotation; or
- (D) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR, BBSW, BKBM, SHIBOR, HIBOR, CNH HIBOR, SOR, SIBOR, TIBOR, CDOR, STIBOR or NIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or any successor or replacement page, section, caption, column or other part of a particular information service) as at the Specified Time (as defined below) on the Interest Determination Date in question (as indicated in the applicable Final Terms) plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if subparagraph (C) above applies and no such offered quotation appears on the Relevant Screen Page or, if subparagraph (D) above applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the Specified Time, the Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for the relevant Interest Period, if the Reference Rate is EURIBOR, to leading banks in the Euro zone inter bank market as at 11.00 a.m. (Brussels time), if the Reference Rate is BBSW, to leading banks in the Sydney inter bank market as at 10.30 a.m. (Sydney time), if the Reference Rate is BKBM, to leading banks in the New Zealand inter bank market at 10.45 a.m. (Auckland and Wellington time), if the Reference Rate is SHIBOR, to leading banks in the Beijing inter bank market at 11.30 a.m. (Beijing time), if the Reference Rate is HIBOR or CNH HIBOR, to leading banks in the Hong Kong inter bank market as at 11.00 a.m. (Hong Kong time), if the Reference Rate is SOR or SIBOR, to leading banks in the Singapore inter bank market as at 11.00 a.m. (Singapore time), if the Reference Rate is TIBOR, to leading banks in the Tokyo inter bank market as at 11.00 a.m. (Tokyo time), if the Reference Rate is CDOR, to leading banks in the Toronto inter bank market as at 10.00 a.m. (Toronto time), if the Reference Rate is STIBOR, to leading banks in the Stockholm inter bank market as at 11.00 a.m. (Stockholm time), or, if the Reference Rate is NIBOR, to leading banks in the Oslo inter bank market as at 11.00 a.m. (Oslo time), on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded as provided above) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such an offered quotation as provided above, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded as provided above) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time, on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in, if the Reference Rate is EURIBOR, the Euro zone inter bank market, if the Reference Rate is BBSW, the Sydney inter bank market, if the Reference Rate is BKBM, the New Zealand inter bank market, if the Reference Rate is SHIBOR, the Beijing inter bank

market, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter bank market, if the Reference Rate is SOR or SIBOR, the Singapore inter bank market, if the Reference Rate is TIBOR, the Tokyo inter bank market, if the Reference Rate is CDOR, the Toronto inter bank market, if the Reference Rate is STIBOR, the Stockholm inter bank market, or, if the Reference Rate is NIBOR, the Oslo inter bank market, plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, at approximately the Specified Time, on the relevant Interest Determination Date, any one or more banks selected by the Calculation Agent for the purpose (which bank or banks shall be so selected after consultation with the Issuer and shall not include any bank or banks which in the opinion of the Issuer is not or are not suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is EURIBOR, the Euro zone inter bank market, if the Reference Rate is BBSW, the Sydney inter bank market, if the Reference Rate is BKBM, the New Zealand inter bank market, if the Reference Rate is SHIBOR, the Beijing inter bank market, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter bank market, if the Reference Rate is SOR or SIBOR, the Singapore inter bank market, if the Reference Rate is TIBOR, the Tokyo inter bank market, if the Reference Rate is CDOR, the Toronto inter bank market, if the Reference Rate is STIBOR, the Stockholm inter bank market, or, if the Reference Rate is NIBOR, the Oslo inter bank market, as the case may be, plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be (i) determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest and/or Minimum Rate of Interest applicable to the first Interest Period).

In this paragraph (iv), the expression "**Specified Time**" means, 11.00 a.m. (Brussels time, in the case of a determination of EURIBOR), or 10.30 a.m. Sydney time (in the case of a determination of BBSW), or 10.45 a.m. New Zealand time (in the case of a determination of BKBM), or 11.30 a.m. Beijing time (in the case of a determination of SHIBOR), or 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then 2.30 p.m. (in the case of a determination of CNH HIBOR), 11.00 a.m. (Hong Kong time) (in the case of a determination of HIBOR), 11.00 a.m. Singapore time (in the case of a determination of SOR or SIBOR), 11.00 a.m. Tokyo time (in the case of a determination of TIBOR), 10.00 a.m. Toronto time (in the case of a determination of CDOR), 11.00 a.m. Stockholm time (in the case of a determination of STIBOR), or 11.00 a.m. Oslo time (in the case of a determination of NIBOR), "**Reference Banks**" means the principal office in the principal financial centre of the Specified Currency of four major banks in the money, securities or other market most closely connected with the relevant Reference Rate as selected by the Issuer on the advice of an investment bank of international repute and "**Euro-zone**"

means the region comprised of member states of the EU that have adopted the euro as the single currency in accordance with the Treaty on European Union.

(v) *Screen Rate Determination for Floating Rate Notes which reference SONIA, SOFR or SARON*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is SONIA, SOFR or SARON:

- (A) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Compounded Daily", the Rate of Interest for each Interest Period will, subject as provided below, be the Compounded Daily Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Calculation Agent, where:

**"Compounded Daily Reference Rate"** means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate (as indicated in the applicable Final Terms and further provided for below) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{r_i - p_{BD} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

**"Business Day"** or **"BD"**, in this Condition has the meaning set out in Condition 3(c)(i), save that where "SOFR" is specified as the Reference Rate, it means a U.S. Government Securities Business Day;

**"D"** is the number specified in the applicable Final Terms;

**"d"** is, in relation to any Interest Accrual Period, the number of calendar days in such Interest Accrual Period;

**"d<sub>o</sub>"** is, in relation to any Interest Accrual Period, the number of Business Days in such Interest Accrual Period;

**"i"** is, in relation to any Interest Accrual Period, a series of whole numbers from one to d<sub>o</sub>, each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Interest Accrual Period;

**"Interest Accrual Period"** means in relation to any Interest Period:

- (1) where "Lag" or "Lock-out" is specified as the Observation Method in the applicable Final Terms, such Interest Period;
- (2) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the Observation Period relating to such Interest Period;

**"Lock-out Period"** means the period from, and including the day following the Interest Determination Date to, but excluding, the corresponding Interest Payment Date;

**"New York Fed's Website"** means the website of the Federal Reserve Bank of New York currently at <http://www.newyorkfed.org>, any successor website of the Federal Reserve Bank of New York (or a successor administrator of SOFR) or any successor source;

**" $n_i$ "**, for any Business Day " $i$ " in the relevant Interest Accrual Period, means the number of calendar days from and including such Business Day " $i$ " up to but excluding the following Business Day;

**"Observation Period"** means, in respect of any Interest Period, the period from and including the date falling " $p$ " Business Days prior to the first day of such Interest Period and ending on, but excluding, the date which is " $p$ " Business Days prior to the Interest Payment Date for such Interest Period (or the date falling " $p$ " Business Days prior to such earlier date, if any, on which the Notes become due and payable);

**" $p$ "** means, for any Interest Period:

- (1) where "Lag" is specified as the Observation Method in the applicable Final Terms, the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms (or, if no such number is specified five Business Days);
- (2) where "Lock-out" is specified as the Observation Method in the applicable Final Terms, zero; and
- (3) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms (or, if no such number is specified two Business Days);

**" $r$ "** means:

- (1) where in the applicable Final Terms "SONIA" is specified as the Reference Rate and "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the SONIA rate in respect of such Business Day;
- (2) where in the applicable Final Terms "SOFR" is specified as the Reference Rate and "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the SOFR in respect of such Business Day;
- (3) where in the applicable Final Terms "SONIA" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:
  - (a) in respect of any Business Day " $i$ " that is a Reference Day, the SONIA rate in respect of the Business Day immediately preceding such Reference Day, and
  - (b) in respect of any Business Day " $i$ " that is not a Reference Day (being a Business Day in the Lock-out Period), the SONIA rate in respect of the Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the relevant Interest Determination Date); and
- (4) where in the applicable Final Terms "SOFR" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:



- (a) in respect of any Business Day "i" that is a Reference Day, the SOFR in respect of the Business Day immediately preceding such Reference Day, and
- (b) in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the SOFR in respect of the Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the relevant Interest Determination Date);

**"Reference Day"** means each Business Day in the relevant Interest Period, other than any Business Day in the Lock-out Period;

**"Relevant Decimal Place"** shall be the number of decimal places specified in the applicable Final Terms and will be rounded up or down, if necessary (with half of the highest decimal place being rounded upwards) (or, if no such number is specified, it shall be five);

**" $r_{i-pBD}$ "** means, in relation to any Interest Accrual Period, the applicable Reference Rate as set out in the definition of "r" above for, where "Lag" is specified as the Observation Method in the applicable Final Terms, the Business Day (being a Business Day falling in the relevant Observation Period) falling "p" Business Days prior to the relevant Business Day "i" or, where "Lock-out" or "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Business Day "i";

**"SOFR"** means, in respect of any Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Fed's Website, in each case on or about 5:00 p.m. (New York City Time) on the Business Day immediately following such Business Day;

**"SONIA"** means, in respect of any Business Day, a reference rate equal to the daily Sterling Overnight Index Average rate for such Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors in each case on the Business Day immediately following such Business Day; and

**"U.S. Government Securities Business Day"** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (B) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Weighted Average", the Rate of Interest for each Interest Period will, subject to as provided below, be the Weighted Average Reference Rate (as defined below) plus or minus (as indicated in the applicable Final Terms) the Margin and will be calculated by the Calculation Agent on the relevant Interest Determination Date and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place, where:

**"Business Day"** has the meaning set out in paragraph (A) above;

**"Lock-out Period"** has the meaning set out in paragraph (A) above;

**"Observation Period"** has the meaning set out in paragraph (A) above;

**"Reference Day"** has the meaning set out in paragraph (A) above;

**"Relevant Decimal Place"** has the meaning set out in paragraph (A) above; and

**"Weighted Average Reference Rate"** means:

- (1) where "Lag" is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Observation Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Observation Period. For these purposes the Reference Rate in effect for any calendar day which is not a Business Day shall be deemed to be the Reference Rate in effect for the Business Day immediately preceding such calendar day; and
  - (2) where "Lock-out" is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Interest Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period, provided however that for any calendar day of such Interest Period falling in the Lock-out Period, the relevant Reference Rate for each day during that Lock-out Period will be deemed to be the Reference Rate in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes the Reference Rate in effect for any calendar day which is not a Business Day shall, subject to the proviso above, be deemed to be the Reference Rate in effect for the Business Day immediately preceding such calendar day.
- (C) where "Index Determination" is specified as the Calculation Method in the applicable Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\left( \frac{\text{Compounded Index End}}{\text{Compounded Index Start}} - 1 \right) \times \frac{D}{d}$$

and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place, plus or minus (as indicated in the applicable Final Terms) the Margin and will be calculated by the Calculation Agent on the relevant Interest Determination Date where:

**"Compounded Index"** shall mean either SONIA Compounded Index, SOFR Compounded Index or SARON Compounded Index, as specified in the applicable Final Terms;

**"d"** is the number of calendar days from (and including) the day on which the relevant Compounded Index<sub>Start</sub> is determined to (but excluding) the day on which the relevant Compounded Index<sub>End</sub> is determined;

**"End"** means in relation to any Interest Period, the relevant Compounded Index value on the day falling "p" Business Days (as defined in paragraph (A)

above) prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

"**p**" is the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms (or, if no such number is specified, two);

"**Relevant Decimal Place**" shall be the number of decimal places specified in the applicable Final Terms and will be rounded up or down, if necessary (with half of the highest decimal place being rounded upwards) (or, if no such number is specified, if the SONIA Compounded Index is applicable, it shall be five, if the SARON Compounded Index is applicable, it shall be six and if the SOFR Compounded Index is applicable, it shall be seven);

"**SARON**" means, in respect of any Business Day, a reference rate equal to the daily Swiss Average Rate Overnight as published by the SARON Administrator on the SIX Group's Website at the Specified Time on such Business Day;

"**SARON Administrator**" means SIX Financial Information AG (including any successor thereto) or any successor administrator of SARON;

"**SARON Compounded Index**" means, in relation to any Zurich Banking Day, the value of the index known as the SARON Index administered by the SARON Administrator (or any successor administrator thereof) as published on the SIX Group's Website at 6:00 p.m. (Zurich time) on such Zurich Banking Day;

"**SIX Group's Website**" means the website of the SIX Group, or any successor website or other source on which SARON or as the case may be, the SARON Index is published;

"**SOFR Compounded Index**" means the Compounded Daily SOFR rate as published at 3.00 p.m. (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source;

"**SONIA Compounded Index**" means the Compounded Daily SONIA rate as published at 10.00 a.m. (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source;

"**Specified Time**" means, in respect of any Business Day, close of trading on the trading platform of SIX Repo AG (or any successor thereto) on such Business Day, which is expected to be on or around 6:00 p.m. (Zurich time);

"**Start**" means, in relation to any Interest Period, the relevant Compounded Index value on the day falling "p" Business Days (as defined in paragraph (A) above) prior to the first day of such Interest Period; and

"**Zurich Banking Day**" means a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions.

Subject to Condition 3(f) or, if applicable, Condition 3(g), if, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if "Index Determination" was not specified as the Calculation Method in the applicable Final Terms and as if "Compounded Daily" was specified instead as the Calculation Method in the applicable Final Terms and where "Observation Shift" was specified as the Observation Method.

(D) where "SONIA" is specified as the Reference Rate in the applicable Final Terms, if, in respect of any Business Day, SONIA (as defined in paragraph (A) above) is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such Reference Rate shall be:

- (1) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant Business Day; plus (ii) the mean of the spread of SONIA to the Bank Rate over the previous five days on which SONIA has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
- (2) subject to Condition 3(f), if such Bank Rate is not available, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Business Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors),

and in each case, "r" shall be interpreted accordingly.

(E) where "SOFR" is specified as the Reference Rate in the applicable Final Terms, if, in respect of any Business Day (as defined in paragraph (A) above), the Reference Rate is not available, subject to Condition 3(f) or, if applicable, Condition 3(g), such Reference Rate shall be the SOFR (as defined in paragraph (A) above) for the first preceding Business Day on which the SOFR was published on the New York Fed's Website (as defined in paragraph (A) above) and "r" shall be interpreted accordingly.

(F)

- (1) where "SARON" is specified as the Reference Rate in the applicable Final Terms, if, in respect of any Business Day (as defined in paragraph (A) above), SARON is not available, and unless both a SARON Index Cessation Event and a SARON Index Cessation Effective Date (each, as defined below) have occurred, such Reference Rate shall be a rate equal to SARON for the last Business Day for which such rate was published by the SARON Administrator on the SIX Group's Website, and "r" shall be interpreted accordingly.
- (2) If SARON is not published in respect of a Business Day as specified above, and both a SARON Index Cessation Event and a SARON Index Cessation Effective Date have occurred, then, in respect of such Business Day and each Business Day thereafter, SARON will be replaced with:
  - (i) if there is a Recommended Replacement Rate within one Business Day of the SARON Index Cessation Effective Date, the Recommended Replacement Rate for such Business Day, giving effect to the

Recommended Adjustment Spread, if any, published on such Business Day; or

- (ii) if there is no Recommended Replacement Rate within one Business Day of the SARON Index Cessation Effective Date, the policy rate of the Swiss National Bank (the "**SNB Policy Rate**") for such Business Day, giving effect to the SNB Adjustment Spread, if any.

Notwithstanding the above, if the SNB Policy Rate for any Business Day with respect to which SARON is to be determined pursuant to paragraph (F)(2)(ii) above has not been published on such Business Day, then in respect of such Business Day (the "**Affected Business Day**") and each Business Day thereafter, SARON will be replaced by the Replacement Rate, if any, determined in accordance with Condition 3(v)(F)(3) for purposes of determining the Rate of Interest.

- (3) If the Calculation Agent (A) is required to use a Recommended Replacement Rate or the SNB Policy Rate pursuant to paragraphs (2)(i) or (2)(ii) above for purposes of determining SARON for any Business Day, and (B) determines that any changes to the definitions of Business Day Convention, Day Count Fraction, Interest Determination Date, Interest Payment Date, Interest Accrual Period, Observation Period, SARON, SARON Administrator, SIX Group's Website or Specified Time are necessary in order to use such Recommended Replacement Rate (and any Recommended Adjustment Spread) or the SNB Policy Rate (and any SNB Adjustment Spread), as the case may be, for such purposes, such definitions will be amended as contemplated in Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution of Principal Debtor*) to reflect such changes, and the Issuer shall give notice as soon as practicable to the Calculation Agent and, in accordance with Condition 12 (*Notices*), the Noteholders, specifying the Recommended Replacement Rate and any Recommended Adjustment Spread or, as the case may be, indicating that the SNB Policy Rate will be used and specifying any SNB Adjustment Spread, as applicable, and the amendments implemented pursuant to Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution of Principal Debtor*).
- (4) Unless the Issuer has elected to redeem the Notes in accordance with Condition 5, the Issuer will appoint a "Replacement Rate Agent" on or prior to the first relevant Business Day (a) with respect to which SARON is to be determined pursuant to paragraph (F)(2)(ii) above and (b) for which the SNB Policy Rate has not been published thereon. The Issuer may appoint an affiliate of the Issuer or any other person as Replacement Rate Agent, so long as such affiliate or other person is a leading financial institution that is experienced in the calculations or determinations to be made by the Replacement Rate Agent. The Issuer will notify the Noteholders of any such appointment in accordance with Condition 12.
- (5) If the conditions set out in the last paragraph of paragraph (F)(2) above have been satisfied, then the Replacement Rate Agent will determine whether to use an alternative rate to SARON for the Affected Business Day and for all subsequent Business Days in the Observation Period in which the Affected Business Day falls (the "**Affected SARON Observation Period**") and all

Observation Periods thereafter. If the Replacement Rate Agent determines to use an alternative rate pursuant to the immediately preceding sentence, it shall select such rate that it has determined is most comparable to SARON (the "**Existing Rate**"), provided that if it determines that there is an appropriate industry-accepted successor rate to the Existing Rate, it shall use such industry-accepted successor rate. If the Replacement Rate Agent has determined an alternative rate in accordance with the foregoing (such rate, the "**Replacement Rate**"), for the purposes of determining the Rate of Interest, (a) the Replacement Rate Agent shall determine (A) the method for obtaining the Replacement Rate (including any alternative method for determining the Replacement Rate if such alternative rate is unavailable on the relevant Interest Determination Date), which method shall be consistent with industry-accepted practices for the Replacement Rate, and (B) any adjustment factor as may be necessary to make the Replacement Rate comparable to the Existing Rate consistent with industry-accepted practices for the Replacement Rate, (b) for the Affected Business Day and all subsequent Business Days in the Affected SARON Observation Period and all Observation Periods thereafter, references to SARON in these Conditions shall be deemed to be references to the Replacement Rate, including any alternative method for determining such rate and any adjustment factor, (c) the Issuer shall give notice as soon as practicable to the Noteholders, specifying the Replacement Rate. Any determination to be made by the Replacement Rate Agent pursuant to this Condition 3(v)(F)(5), including any determination with respect to a rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be made in the sole discretion of the Replacement Rate Agent acting in good faith and in a commercially reasonable manner.

As used in these Conditions:

**"Recommended Adjustment Spread"** means, with respect to any Recommended Replacement Rate, the spread (which may be positive, negative or zero), or formula or methodology for calculating such a spread:

- (i) that the Recommending Body has recommended be applied to such Recommended Replacement Rate in the case of fixed income securities with respect to which such Recommended Replacement Rate has replaced SARON as the reference rate for purposes of determining the applicable rate of interest thereon; or
- (ii) if the Recommending Body has not recommended such a spread, formula or methodology as described in paragraph (i) above, to be applied to such Recommended Replacement Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of SARON with such Recommended Replacement Rate for purposes of determining SARON, which spread will be determined by the Issuer, following consultation with the Independent Adviser, and be consistent with industry-accepted practices for fixed income securities with respect to which such Recommended Replacement Rate has replaced SARON as the reference rate for purposes of determining the applicable rate of interest thereon;

**"Recommended Replacement Rate"** means the rate that has been recommended as the replacement for SARON by the Recommending Body;

**"Recommending Body"** means any working group or committee in Switzerland organised in the same or a similar manner as the National Working Group on Swiss Franc Reference Rates that was founded in 2013 for purposes of, among other things, considering proposals to reform reference interest rates in Switzerland;

**"SARON Index Cessation Effective Date"** means the earliest of:

- (i) in the case of the occurrence of a SARON Index Cessation Event described in paragraph (i) of the definition thereof, the date on which the SARON Administrator ceases to provide SARON;
- (ii) in the case of the occurrence of a SARON Index Cessation Event described in paragraph (ii)(x) of the definition thereof, the latest of:
  - a. the date of such statement or publication;
  - b. the date, if any, specified in such statement or publication as the date on which SARON will no longer be representative; and
  - c. if a SARON Index Cessation Event described in paragraph (ii)(y) of the definition thereof has occurred on or prior to either or both dates specified in paragraphs a. and b. of this paragraph (ii), the date as of which SARON may no longer be used; and
- (iii) in the case of the occurrence of a SARON Index Cessation Event described in paragraph (ii)(y) of the definition thereof, the date as of which SARON may no longer be used;

**"SARON Index Cessation Event"** means the occurrence of one or more of the following events:

- (i) a public statement or publication of information by or on behalf of the SARON Administrator, or by any competent authority, announcing or confirming that the SARON Administrator has ceased or will cease to provide SARON permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide SARON; or
- (ii) a public statement or publication of information by the SARON Administrator or any competent authority announcing that (x) SARON is no longer representative or will as of a certain date no longer be representative, or (y) SARON may no longer be used after a certain date, which statement, in the case of sub-clause (y), is applicable to (but not necessarily limited to) fixed income securities and derivatives; and

**"SNB Adjustment Spread"** means, with respect to the SNB Policy Rate, the spread (which may be positive, negative or zero) to be applied to the SNB Policy Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of SARON with the SNB Policy Rate for purposes of determining SARON, which spread will be determined by the Issuer, following consultation with the Independent Adviser, taking into account the historical median between SARON and the SNB Policy Rate during the two year period ending on the date on which the

SARON Index Cessation Event occurred (or, if more than one SARON Index Cessation Event has occurred, the date on which the first of such events occurred).

- (G) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, but without prejudice to Condition 3(f) or, if applicable, Condition 3(g), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Notes become due and payable in accordance with Condition 5 or Condition 8, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

- (vi) *Screen Rate Determination for Floating Rate Notes which reference €STR*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is €STR, the Rate of Interest for an Interest Accrual Period will be Compounded Daily €STR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin.

**"Compounded Daily €STR"** means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the daily euro short-term rate as the reference rate of the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{€STR}_{i-pTBD} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

"d" is the number of calendar days in the relevant Interest Accrual Period;

"d<sub>o</sub>" is the number of TARGET Settlement Days in the relevant Interest Accrual Period;

"ECB" means the European Central Bank or any successor or substituting authority thereto;

"i" is a series of whole numbers from one to "d<sub>o</sub>", each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day in the relevant Interest Accrual Period to, and including, the last TARGET Settlement Day in



the relevant Interest Accrual Period;

"**n<sub>i</sub>**", for any TARGET Settlement Day "i", means the number of calendar days from and including such TARGET Settlement Day "i" up to but excluding the following TARGET Settlement Day;

"**Observation Period**" means, in respect of each Interest Accrual Period, the period from and including the date falling "p" TARGET Settlement Days prior to the first day of the relevant Interest Accrual Period and ending on, but excluding, the date falling "p" TARGET Settlement Days prior to the Interest Payment Date for such Interest Accrual Period (or the date falling "p" TARGET Settlement Days prior to such earlier date, if any, on which the Notes become due and payable);

"**p**" means for any Interest Accrual Period, the whole number of TARGET Settlement Days included in the Observation Look-back Period, as specified in the applicable Final Terms, being no less than five TARGET Settlement Days;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in Euro;

"**€STR Reference Rate**" means, in respect of any TARGET Settlement Day, a reference rate equal to the daily euro short-term rate ("**€STR**") for such TARGET Settlement Day as published by the ECB, as administrator of such rate (or any successor administrator of such rate), on the website of the ECB initially at <http://www.ecb.europa.eu>, or any successor website officially designated by the ECB (the "**ECB's Website**") (in each case, on or before 9:00 a.m., Central European Time, on the TARGET Settlement Day immediately following such TARGET Settlement Day); and

"**€STR i-pTBD**" means, in respect of any TARGET Settlement Day "i" falling in the relevant Interest Accrual Period, the €STR Reference Rate for the TARGET Settlement Day falling "p" TARGET Settlement Days prior to the relevant TARGET Settlement Day "i".

If the €STR Reference Rate is not published in respect of a TARGET Settlement Day as specified above, and unless both an €STR Index Cessation Event and an €STR Index Cessation Effective Date (each, as defined below) have occurred, the €STR Reference Rate shall be a rate equal to €STR for the last TARGET Settlement Day for which such rate was published on the ECB's Website.

If the €STR Reference Rate is not published in respect of a TARGET Settlement Day as specified above, and both an €STR Index Cessation Event and an €STR Index Cessation Effective Date have occurred, the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including such €STR Index Cessation Effective Date will be determined as if references to €STR were references to the rate (inclusive of any spreads or adjustments) that was recommended as the replacement for €STR by the ECB (or any successor administrator of €STR) and/or by a committee officially endorsed or convened by the ECB (or any successor administrator of €STR) for the purpose of recommending a replacement for €STR (which rate may be produced by the ECB or another administrator) (the "**ECB Recommended Rate**"), provided that, if no such rate has been recommended before the end of the first TARGET Settlement Day following the date on which the €STR Index Cessation Effective Date occurs, then the rate for each TARGET Settlement Day in the

relevant Observation Period occurring from and including such €STR Index Cessation Effective Date will be determined as if references to "€STR" were references to the Eurosystem Deposit Facility Rate, the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem, as published on the ECB's Website (the "EDFR") on such TARGET Settlement Day plus the arithmetic mean of the daily difference between the €STR Reference Rate and the EDFR for each of the 30 TARGET Settlement Days immediately preceding the date on which the €STR Index Cessation Event occurs (the "**EDFR Spread**").

Provided further that, if both an ECB Recommended Rate Index Cessation Event and an ECB Recommended Rate Index Cessation Effective Date subsequently occur, then the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including that ECB Recommended Rate Index Cessation Effective Date will be determined as if references to "€STR" were references to the EDFR on such TARGET Settlement Day plus the arithmetic mean of the daily difference between the ECB Recommended Rate and the EDFR for each of the 30 TARGET Settlement Days immediately preceding the date on which the ECB Recommended Rate Index Cessation Event occurs.

If the Rate of Interest cannot be determined in accordance with the foregoing provisions the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (through substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the last preceding Interest Accrual Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first interest Accrual Period but ending on (and excluding) the Interest Commencement Date (including applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

As used herein, an "**Interest Accrual Period**" means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the relevant Series of Notes becomes due and payable in accordance with Condition 8 (*Events of Default*), shall be the date on which such Notes become due and payable).

If the relevant Series of Notes becomes due and payable in accordance with Condition 8 (*Events of Default*), the final Rate of Interest shall be calculated for the Interest Accrual Period to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon.

As used in these Conditions:

"**€STR Index Cessation Event**" means the occurrence of one or more of the following events:

- (i) a public statement or publication of information by or on behalf of the ECB (or any successor administrator of €STR) announcing that it has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide €STR; or
- (ii) a public statement or publication of information by the regulatory supervisor

for the administrator of €STR, the central bank for the currency of €STR, an insolvency official with jurisdiction over the administrator of €STR, a resolution authority with jurisdiction over the administrator of €STR or a court or an entity with similar insolvency or resolution authority over the administrator of €STR, which states that the administrator of €STR has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide €STR;

**"€STR Index Cessation Effective Date"** means, in respect of an €STR Index Cessation Event, the first date for which €STR is no longer provided by the ECB (or any successor administrator of €STR);

**"ECB Recommended Rate Index Cessation Event"** means the occurrence of one or more of the following events:

- (i) a public statement or publication of information by or on behalf of the administrator of the ECB Recommended Rate announcing that it has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the ECB Recommended Rate, the central bank for the currency of the ECB Recommended Rate, an insolvency official with jurisdiction over the administrator of the ECB Recommended Rate, a resolution authority with jurisdiction over the administrator of the ECB Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the ECB Recommended Rate, which states that the administrator of the ECB Recommended Rate has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; and

**"ECB Recommended Rate Index Cessation Effective Date"** means, in respect of an ECB Recommended Rate Index Cessation Event, the first date for which the ECB Recommended Rate is no longer provided by the administrator thereof.

(vii) *Linear Interpolation*

If the applicable Final Terms specifies a Linear Interpolation as applicable in respect of an Interest Period, the Rate of Interest (where Screen Rate Determination is specified hereon as applicable) or rate (where ISDA Determination is specified hereon as applicable) for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall

determine such rate at such time and by reference to such sources as it determines appropriate.

**"Applicable Maturity"** means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate and, (b) in relation to ISDA Determination, the Designated Maturity.

(viii) *Minimum and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period determined in accordance with the above provisions shall in no event be less than such Minimum Rate of Interest. Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero. In the event that the Interest Rate for any Interest Period is determined in accordance with the provisions set out in this Condition to be less than zero, the Minimum Interest Rate for such Interest Period shall be zero.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then the Interest Rate for such Interest Period determined in accordance with the above provisions shall in no event exceed such Maximum Rate of Interest.

(ix) *Determination of Rate of Interest and calculation of Interest Amount*

The Calculation Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined determine the Rate of Interest and calculate the amount of interest (the **"Interest Amount"**) payable for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Notes represented by such global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest for any Interest Period in accordance with this Condition 3(c):

- (A) if **"Actual/Actual"** or **"Actual/Actual (ISDA)"** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non leap year divided by 365);
- (B) if **"Actual/365 (Fixed)"** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

- (C) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Period falling in a leap year, 366;
- (D) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (E) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (F) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (G) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30; and

- (H) if "**RBA Bond Basis**" is specified in the applicable Final Terms, one divided by the number of Interest Payment Dates in each twelve-month period (or, where the calculation period does not constitute an Interest Period, the actual number of days in the calculation period divided by 365 (or, if any portion of the calculation period falls in a leap year, the sum of:

- (1) the actual number of days in that portion of the calculation period falling in a leap year divided by 366; and
- (2) the actual number of days in that portion of the calculation period falling in a non-leap year divided by 365)).

- (x) *Notification of Rate of Interest and Interest Amount*

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 12 as soon as possible after their determination but in no event later than the fourth London Business Day (where a "**London Business Day**" means a day (other than Saturday or Sunday) on which banks and foreign exchange markets are open for business in London) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 12.

(xi) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(c) by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Calculation Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of bad faith and wilful default) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

(d) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption unless, upon, where applicable, due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to Noteholders in accordance with Condition 12 or individually.

(e) *Interpretation*

For the purposes of this Condition 3, references to the Agent in relation to all certificates, communications, opinions, determinations, calculations, quotations, decisions or related actions given, expressed, made or obtained for the purposes of the provisions of this Condition 3 by the Agent shall, in the case of CMU Notes, be deemed to be references to the CMU Lodging and Paying Agent, unless the context otherwise requires.

(f) *Benchmark replacement*

(i) *Notes not linked to SOFR, €STR or SARON*

Notwithstanding the provisions above in this Condition 3 but subject, in the case of Notes linked to SONIA, to Condition 3(c)(v)(D)(1) above taking precedence, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines that a Benchmark Event has occurred or considers that there may be a Successor Rate, in either case, when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable), then the following provisions shall apply (other than to Notes linked to SOFR, €STR or SARON):

- (A) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine a Successor Rate or, alternatively, if the Independent Adviser determines that there is no Successor Rate, an Alternative Reference Rate no later than 3 Business Days prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) (the "**IA Determination Cut-off Date**") for purposes of determining the Rate of Interest applicable to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 3(f));
- (B) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate

prior to the IA Determination Cut-off Date in accordance with subparagraph (A) above, then the Issuer (in consultation, to the extent practicable, with the Calculation Agent and acting in good faith) may determine a Successor Rate or, if the Issuer determines that there is no Successor Rate, an Alternative Reference Rate for purposes of determining the Rate of Interest applicable to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 3(f) in the event of a further Benchmark Event affecting the Successor Rate or Alternative Reference Rate); **provided**, however, that if this subparagraph (B) applies and the Issuer is unable or unwilling to determine a Successor Rate or an Alternative Reference Rate prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) in accordance with this subparagraph (B) (and for the avoidance of doubt, shall apply to only such Reset Period or Interest Period (as applicable)), the Rate of Interest applicable to such Reset Period or Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of a preceding Reset Period or Interest Period as applicable (which may be the Initial Rate of Interest) (though substituting, where a different Margin is to be applied to the relevant Reset Period or Interest Period from that which applied to the last preceding Reset Period or Interest Period for which the Rate of Interest was determined, the Margin relating to the relevant Reset Period or Interest Period, in place of the Margin relating to that last preceding Reset Period or Interest Period);

- (C) if a Successor Rate or an Alternative Reference Rate is determined in accordance with the preceding provisions, such Successor Rate or Alternative Reference Rate (as applicable) shall be the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 3(f) in the event of a further Benchmark Event affecting the Successor Rate or Alternative Reference Rate);
- (D) if the Independent Adviser (in consultation with the Issuer) or (if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine whether an Adjustment Spread should be applied) the Issuer determines that an Adjustment Spread should be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Rate or Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (as applicable) is unable to determine, prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable), the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;
- (E) if the Independent Adviser or the Issuer (as the case may be) determines a Successor Rate or an Alternative Reference Rate or, in each case, any Adjustment Spread, in accordance with the above provisions, the Independent Adviser or the Issuer may also, following consultation, to the extent practicable, with the Calculation Agent, specify changes to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Reset Determination Date, Interest Determination Date, Interest Payment Dates and/or the definition of Mid-Swap Floating Leg Benchmark Rate, Reference Rate or Adjustment Spread applicable to the Notes (and in each case, related provisions and definitions), and the method for determining the fallback rate in relation



to the Notes, in order to follow market practice in relation to such Successor Rate or Alternative Reference Rate (as applicable), which changes shall apply to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 3(f)). No consent of the Noteholders or the Couponholders shall be required in connection with effecting such consequential amendments to the the Agency Agreement and these Terms and Conditions as may be required in order to give effect to this Condition 3(f), including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement. An Independent Adviser appointed pursuant to this Condition 3(f) shall act in good faith and (in the absence of bad faith, gross negligence and wilful misconduct) shall have no liability whatsoever to the Issuer, the Agent, the Calculation Agent or Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 3(f). No Noteholder consent shall be required in connection with effecting the Successor Rate or the Alternative Reference Rate (as applicable), any Adjustment Spread or such other changes, including for the execution of any documents, amendments or other steps by the Issuer or Agent (if required); and

- (F) the Issuer shall promptly following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread give notice thereof and of any changes pursuant to subparagraph (E) above to the Agent and the Noteholders, and confirm to the Agent and the Noteholders (i) that a Benchmark Event has occurred or that there is a Successor Rate, (ii) the Successor Rate or Alternative Reference Rate (as applicable), (iii) where applicable, any Adjustment Spread and (iv) where applicable, the terms of any changes pursuant to subparagraph (E) above. The Agent shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Reference Rate (as applicable), where applicable, any Adjustment Spread and, where applicable, any such other relevant changes pursuant to this Condition 3(f) specified in such notice will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Calculation Agent, the Noteholders and the Couponholders.

(ii) *Notes linked to SOFR*

In the case of Notes linked to SOFR:

- (A) if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines that a Benchmark Event and the relevant SOFR Index Cessation Date have both occurred, when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to such Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable), the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) shall be the rate that was recommended as the replacement for the SOFR by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the SOFR (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator, and which rate may include any adjustments or spreads) or, if no such rate has been recommended within one Business Day (as defined in paragraph (A) of Condition 3(c)(v)) of the SOFR Index Cessation Date, the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) shall be the Overnight Bank Funding Rate (published on the New York Fed's Website at or around 5:00 p.m. (New York time) on the relevant

New York City Banking Day) for any SOFR Reset Date falling on or after the SOFR Index Cessation Date (it being understood that the Overnight Bank Funding Rate for any such SOFR Reset Date will be for trades made on the related SOFR Determination Date); or

- (B) if the Calculation Agent is required to use the Overnight Bank Funding Rate in paragraph (A) above and an OBFR Index Cessation Event and an OBFR Index Cessation Date have both occurred, then for any SOFR Reset Date falling on or after the later of the SOFR Index Cessation Date and the OBFR Index Cessation Date, the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) shall be the short-term interest rate target set by the Federal Open Market Committee, as published on the New York Fed's Website and as prevailing on such SOFR Reset Date, or if the Federal Open Market Committee has not set a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee, as published on the New York Fed's Website and as prevailing on such SOFR Reset Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range),

and in each case "r" shall be interpreted accordingly.

For the purposes of this Condition 3(f):

**"Adjustment Spread"** means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines should be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable), as a result of the replacement of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate with the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable), and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is recommended in relation to the replacement of the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) with the Successor Rate by any Relevant Nominating Body;
- (ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage for the purposes of determining floating rates of interest in respect of bonds denominated in the Specified Currency, where such rate has been replaced by such Successor Rate or Alternative Reference Rate (as applicable); or
- (iii) if no such customary market usage is recognised or acknowledged, the Independent Adviser in its discretion (in consultation with the Issuer) or the Issuer in its discretion (as applicable) determines (acting in good faith) to be appropriate;

**"Alternative Reference Rate"** means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) in customary market usage for the purposes of determining floating rates of interest in respect of bonds denominated in the Specified Currency or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as

applicable) determines, each in its own discretion, acting in good faith, is most comparable to the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable);

**"Benchmark Event"** means:

- (i) the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (ii) a public statement by the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Mid-Swap Floating Leg Benchmark Rate or Reference Rate) it has ceased, or it will, by a specified future date, cease, publishing such Mid-Swap Floating Leg Benchmark Rate or Reference Rate permanently or indefinitely; or
- (iii) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that such Mid-Swap Floating Leg Benchmark Rate or Reference Rate has been or will, by a specified future date, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that means that such Mid-Swap Floating Leg Benchmark Rate or Reference Rate will, by a specified future date, be prohibited from being used or that its use will, by a specified future date, be subject to restrictions or adverse consequences; or
- (v) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that, in the view of such supervisor, such Mid-Swap Floating Leg Benchmark Rate or Reference Rate is or will, by a specified future date, be no longer representative of an underlying market; or
- (vi) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable),

provided that, notwithstanding the subparagraphs above, where the relevant Benchmark Event is a public statement within subparagraphs (ii), (iii), (iv) or (v) above and the relevant specified future date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such specified future date;

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense;

**"New York Fed's Website"** has the meaning given in paragraph (A) of Condition 3(c)(v);

**"New York City Banking Day"** means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City;

**"OBFR Index Cessation Date"** means, in respect of an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Overnight Bank Funding Rate), ceases to publish the Overnight Bank Funding Rate, or the date as of which the Overnight Bank Funding Rate may no longer be used;

**"OBFR Index Cessation Event"** means the occurrence of one or more of the following events:

- (i) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) announcing that it has ceased, or will cease, to publish or provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide an Overnight Bank Funding Rate;
- (ii) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) has ceased, or will cease, to provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate; or
- (iii) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Overnight Bank Funding Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

**"Relevant Nominating Body"** means, in respect of a reference rate:

- (i) the central bank, reserve bank, monetary authority or any similar institution for the currency to which such reference rate relates, or any other central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, (d) the International Swaps and Derivatives Association, Inc. or any part thereof, or (e) the Financial Stability Board or any part thereof;

**"SOFR Determination Date"** means, with respect to any SOFR Reset Date and with respect to (x) the Secured Overnight Financing Rate and (y) the Overnight Bank Funding Rate: (i) in the case of (x), the first Business Day immediately preceding such SOFR Reset Date; and (ii) in the case of (y), the first New York City Banking Day immediately preceding such SOFR Reset Date;

**"SOFR Index Cessation Date"** means, in respect of a Benchmark Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Secured Overnight Financing Rate), ceases to publish the Secured Overnight Financing Rate, or the date as of which the Secured Overnight Financing Rate may no longer be used;

**"SOFR Reset Date"** means each Business Day during the relevant Interest Period, provided however that if both a Benchmark Event and a SOFR Index Cessation Date have occurred, it shall mean: (i) in respect of the period from, and including, the first day of the Interest Period in which the SOFR Index Cessation Date falls (such Interest Period, the **"Affected Interest Period"**) to, but excluding, the SOFR Index Cessation Date (such period, the **"Partial SOFR Period"**), each Business Day during the Partial SOFR Period; (ii) in respect of the period from, and including, the SOFR Index Cessation Date to, but excluding, the Interest Payment Date in respect of the Affected Interest Period (such period, the **"Partial Fallback Period"**), each New York City Banking Day during the Partial Fallback Period; and (iii) in respect of each Interest Period subsequent to the Affected Interest Period, each New York City Banking Day during the relevant Interest Period; and

**"Successor Rate"** means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement

of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) (for the avoidance of doubt, whether or not such Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) has ceased to be available) which is recommended by any Relevant Nominating Body.

(g) *Effect of Benchmark Transition Event*

Where "SOFR" is specified as the Reference Rate and where "ARRC Fallbacks" are specified as applicable in the applicable Final Terms:

- (i) notwithstanding any other provision to the contrary in these Terms and Conditions, if the Issuer or, at the Issuer's request, the Calculation Agent, determines on or prior to the Reference Time, that a Benchmark Transition Event and its related Benchmark Replacement Date (each, as defined below) have occurred with respect to the then current Benchmark, then the provisions set forth in this Condition 3(g) (the "**Benchmark Transition Provisions**"), will thereafter apply to all terms of the Notes relevant in respect of such Benchmark, including without limitation, the determination of any Rate of Interest. In accordance with the Benchmark Transition Provisions, after a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, any such Rate of Interest in respect of an Interest Period will be determined by reference to the relevant Benchmark Replacement;
- (ii) if the Issuer or, at the Issuer's request, the Calculation Agent, determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates;
- (iii) in connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time;
- (iv) the Issuer shall, prior to the taking effect of any Benchmark Replacement Conforming Changes, give notice thereof to the Agent and the Noteholders. The Benchmark Replacement Conforming Changes and where applicable, any such other relevant changes pursuant to this Condition 3(g) will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Calculation Agent, the Noteholders and the Couponholders;
- (v) any determination, decision or election that may be made by the Issuer or Calculation Agent pursuant to this Condition 3(g), including any determination with respect to a tenor, rate or refrain from taking any action or any selection:
  - (A) will be conclusive and binding absent manifest error;
  - (B) if made by the Issuer, will be made in the Issuer's sole discretion;
  - (C) if made by the Calculation Agent, will be made after consultation with the Issuer, and the Calculation Agent will not make any such determination, decision or election to which the Issuer reasonably objects; and
  - (D) notwithstanding anything to the contrary in these Terms and Conditions, the Agency Agreement or the Notes, shall become effective without consent from the Noteholders or the Couponholders or any other party; and
- (vi) if the Calculation Agent does not make any determination, decision or election that it is required to make pursuant to this Condition 3(g), then the Issuer will make that determination, decision or election on the same basis as described above.

For the purposes of this Condition 3(g):

**"Benchmark"** means SOFR provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR or the then-current Benchmark, then **"Benchmark"** means the applicable Benchmark Replacement;

**"Benchmark Replacement"** means the first alternative set forth in the order below that can be determined by the Issuer or the Calculation Agent as of the Benchmark Replacement Date:

- (i) the sum of: (1) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (2) the Benchmark Replacement Adjustment;
- (ii) the sum of: (1) the ISDA Fallback Rate and (2) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (1) the alternate rate of interest that has been selected by the Issuer or the Calculation Agent as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (2) the Benchmark Replacement Adjustment;

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the Issuer or the Calculation Agent as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or the Calculation Agent giving due consideration to any industry-accepted spread adjustments, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement Rate, any technical, administrative or operational changes (including changes to the definition of "Interest Period", timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or the Calculation Agent decides may be appropriate to reflect the adoption of such Benchmark Replacement Rate in a manner substantially consistent with market practice (or, if the Issuer or the Calculation Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or the Calculation Agent determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or the Calculation Agent determines is reasonably necessary);

**"Benchmark Replacement Date"** means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of (1) the date of the public statement or publication of information referenced therein and (2) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

- (ii) in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein,

and, for the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

**"Benchmark Transition Event"** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

**"ISDA Fallback Adjustment"** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor;

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**"Reference Time"** with respect to any determination of the Benchmark means the time determined by the Issuer or the Calculation Agent in accordance with the Benchmark Replacement Conforming Changes;

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

**"Unadjusted Benchmark Replacement"** means the Benchmark Replacement Rate excluding the Benchmark Replacement Adjustment.

## 4 Payments

### (a) *Method of Payment*

Subject as provided below:

- (i) payments in respect of definitive Notes in a Specified Currency (other than euro or Renminbi) will be made at the option of the bearer either by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively);
- (ii) payments in respect of definitive Notes in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and
- (iii) payments in respect of definitive Notes in Renminbi will be made solely by credit to a Renminbi account maintained by the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws or agreements to which the Issuer or any of the Paying Agents agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 6.

### (b) *Presentation of Notes and Coupons*

Payments of principal in respect of definitive Notes (if issued) will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender of such definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States. Payments under paragraph (a) above made, at the option (if any such option is specified under paragraph (a) above) of the bearer of such Note or Coupon, by cheque shall be mailed or delivered to an address outside the United States furnished by such bearer. Subject to any applicable laws and regulations, such payments made by transfer will be made in immediately available funds to an account maintained by the payee with a bank located outside the United States. No payment in respect of any definitive Note or Coupon will be made upon presentation and surrender of such definitive Note or Coupon at any office or agency of the Issuer or any Paying Agent in the United States, nor will any such payment be made by transfer to an account, or by mail to an address, in the United States.

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the full amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the full amount of such missing unmatured Coupon as the sum so paid bears to the total sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time thereafter but before the expiry of ten years after the Relevant Date (as defined in Condition 6) in respect of such principal (whether or not such Coupon would otherwise have



become void under Condition 7) or, if later, five years from the date on which such Coupon would otherwise have become due.

Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Reset Note or Long Maturity Note in definitive form becomes due and repayable, all unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant global Note, where applicable, against presentation or surrender, as the case may be, of such global Note at the specified office of any Paying Agent outside the United States. A record of each payment made distinguishing between any payment of principal and any payment of interest, will be made on such global Note either by the Paying Agent to which such global Note is presented for the purpose of making such payment or in the records of (in the case of a global Note representing Notes other than CMU Notes) Euroclear and Clearstream, Luxembourg or (in the case of a global Note representing CMU Notes) the CMU Service.

The holder of a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Note. No person other than the holder of such global Note shall have any claim against the Issuer in respect of any payments due on that global Note.

The holder of a global Note held by or on behalf of the CMU Operator shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Payments of principal or interest (if any) in respect of such global Note will be made to the persons for whose account a particular nominal amount of Notes represented by such global Note is credited as being held by the CMU Operator at the relevant time, as notified to the CMU Lodging and Paying Agent by the CMU Operator in a relevant CMU Instrument Position Report or in any other relevant notification by the CMU Operator. No person other than the holder of such global Note shall have any claim against the Issuer in respect of any payments due on that global Note.

Notwithstanding the foregoing, U.S. dollar payments of principal and interest in respect of the Notes will be made at the specified office of any Paying Agent in the United States (which expression, as

used in this Condition 4, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest due on the Notes in the manner provided above when due;
- (ii) payment in U.S. dollars of the full amount of such due principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences for the Issuer.

(c) *Payment Date*

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Date, the holder thereof shall not be entitled to payment of the amount due until the next following Payment Date in the relevant place and shall not be entitled to any interest or other payment in respect of such delay. For these purposes, "**Payment Date**" means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) in the case of Notes in definitive form only, the relevant place of presentation;
  - (B) each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency which, if the Specified Currency is Australian dollars shall be Sydney and Melbourne, if the Specified Currency is New Zealand dollars, shall be Auckland, and which, if the Specified Currency is Renminbi, shall be Hong Kong or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(d) *Interpretation of principal and interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 6;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5(e)); and
- (vi) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6.

In this Condition, "euro" has the meaning as is given to it in Condition 3(c)(i).

(e) *CNY Currency Event*

If "**CNY Currency Event**" is specified in the applicable Final Terms and a CNY Currency Event, as determined by the Issuer acting in good faith, exists on a date for payment of any amount in respect of any Note or Coupon, the Issuer may, in its sole and absolute discretion, take the action described in (i), (ii) and/or (iii) below:

- (i) the relevant payment by the Issuer may be postponed to a day falling no later than 5 Business Days after the date on which the CNY Currency Event ceases to exist or, if such payment would not be possible (as determined by the Issuer acting in good faith) as soon as reasonably practicable thereafter;
- (ii) the Issuer's obligation to make a payment in CNY under the terms of the Notes may be replaced by an obligation to pay such amount in the Relevant Currency (selected by the Issuer and converted at the Alternate Settlement Rate as of a time selected by the Calculation Agent); and/or
- (iii) give notice to the Noteholders in accordance with Condition 12 and redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

Upon the occurrence of a CNY Currency Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 12 stating the occurrence of the CNY Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

For the purpose of this Condition 4(e) and unless stated otherwise in the applicable Final Terms:

"**Alternate Settlement Rate**" means the spot rate, determined by the Calculation Agent, between CNY and the Relevant Currency, taking into consideration all available information which the Calculation Agent deems relevant (including, but not limited to, the pricing information obtained from the CNY non-deliverable market outside the PRC and/or the CNY exchange market within the PRC);

"**CNY Currency Events**" means any one of CNY Illiquidity, CNY Non-Transferability and CNY Inconvertibility;

"**CNY Illiquidity**" means the general CNY exchange market in Hong Kong becomes illiquid as a result of which the Issuer and/or any of its affiliates cannot obtain sufficient CNY in order to make a payment or perform any other of its obligations under the Notes, as determined by the Calculation Agent;

"**CNY Inconvertibility**" means the occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its affiliates to convert any amount into or from CNY as may be required to be paid by the Issuer under the Notes on any payment date at the general CNY exchange market in Hong Kong, other than where such impossibility, impracticability or illegality is due solely to the failure of that party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible, impracticable or illegal for the Issuer and/or any of its affiliates, due to an event beyond the control of the Issuer or the relevant affiliate, to comply with such law, rule or regulation);

"**CNY Non-Transferability**" means the occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its affiliates to deliver CNY between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the CNY clearing and settlement system for participating banks in Hong Kong is disrupted or

suspended), other than where such impossibility, impracticability or illegality is due solely to the failure of the Issuer and/or the relevant affiliate to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible, impracticable or illegal for the Issuer and/or any of its affiliates, due to an event beyond the control of the Issuer and/or the relevant affiliate, to comply with such law, rule or regulation);

**"Governmental Authority"** means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong; and

**"Relevant Currency"** means United States dollars, Hong Kong dollars or such other currency as may be specified in the applicable Final Terms.

## 5 Redemption and Purchase

### (a) *At Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each nominal amount of Notes equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

### (b) *Redemption for Tax Reasons*

The Notes of any Series may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of a Note other than a Floating Rate Note) or only on an Interest Payment Date (in the case of a Floating Rate Note) on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 12, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), at their Early Redemption Amount (as determined in accordance with Condition 5(e) below), if:

- (i) it has or will or would, but for redemption, become obliged to pay additional amounts as provided or referred to in Condition 6 in respect of any of the Notes of such Series;
- (ii) the payment of interest in respect of any of the Notes of such Series would be a **"distribution"** or would otherwise not be deductible (in whole, or to a material extent) for Dutch tax purposes (or the deduction would be materially deferred); or
- (iii) in respect of the payment of interest in respect of any of the Notes of such Series, the Issuer would not to any material extent be entitled to have any attributable loss or non-trading deficit set against the profits of companies with which it is grouped for applicable Dutch tax purposes (whether under the group relief system current as at the date on which agreement is reached to issue the first Tranche of Notes of such Series or any similar system or systems having like effect as may from time to time exist),

in each such case, as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of Notes of that Series and the effect of which cannot be avoided by the Issuer taking reasonable steps available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts

as referred to in paragraph (i) above, would be treated as making distributions or payments which are otherwise not deductible (or the deduction for which would be materially deferred) as referred to in paragraph (ii) above or would otherwise not be entitled to have the loss or non-trading deficit set against the profits as referred to in paragraph (iii) above, in each case, were a payment in respect of the Notes of that Series then due. Upon the expiration of such notice, the Issuer shall be bound to redeem such Notes at their Early Redemption Amount.

Before the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Agent a certificate signed by an authorised signatory of the Issuer stating that a condition for redemption pursuant to this Condition 5(b) (i) has occurred and (ii) is continuing as at the date of the certificate, and the Agent shall accept such certificate as sufficient evidence of such occurrence, in which event it shall be conclusive and binding on the Noteholders.

(c) *Call Option – Redemption at the Option of the Issuer*

If the Issuer is specified in the applicable Final Terms as having an option to redeem the Notes of any Series, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Agent and the Noteholders of that Series in accordance with Condition 12 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, or (if so specified in the Final Terms) some only, of the Notes of such Series then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date(s). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not greater than the Maximum Redemption Amount, both as indicated in the applicable Final Terms. In the case of a partial redemption of Notes of any Series, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot at such place and in such manner as the Issuer may approve and deem fair and reasonable, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of, in the case of Notes other than CMU Notes, Euroclear and/or Clearstream, Luxembourg or, in the case of CMU Notes, the CMU Service (to be reflected in the records of, in the case of Notes other than CMU Notes, Euroclear and Clearstream, Luxembourg or, in the case of CMU Notes, the CMU Service as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes represented by a global Note, not more than 60 days or such other period specified in the applicable Final Terms prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will (unless otherwise specified in the applicable Final Terms) be published in accordance with Condition 12 not less than the minimum period and not more than the maximum period specified in the applicable Final Terms prior to the date fixed for redemption. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall (unless otherwise specified in the applicable Final Terms) be given by the Issuer to the Noteholders of the relevant Series in accordance with Condition 12 at least 10 days or such other period specified in the applicable Final Terms prior to the Selection Date.

(d) *Put Option – Redemption at the Option of the Noteholders*

If the Noteholders of any Series are specified in the applicable Final Terms as having an option to redeem, upon the holder of any Note of such Series giving to the Issuer in accordance with Condition 12 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date (which Optional Redemption

Date shall, in the case of a Floating Rate Note be an Interest Payment Date) and at the Optional Redemption Amount specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If the Note is in definitive form, to exercise the right to require redemption of the Note the holder of the Note must deliver such Note at the specified office of any Paying Agent on any Business Day at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Notice**") in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition 5(e).

(e) *Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 8, the Notes of any Series will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in the applicable Final Terms or, if no such amount is so specified in the applicable Final Terms, at their nominal amount; or
- (iii) in the case of Zero Coupon Notes, at an amount (the "**Amortised Face Amount**") equal to the sum of:
  - (A) the Reference Price specified in the applicable Final Terms; and
  - (B) the product of the Accrual Yield specified in the applicable Final Terms (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and payable; or
- (iv) if and to the extent not taken into account in paragraphs (i) to (iii) above, adding (if appropriate) interest accrued to the date fixed for redemption.

(f) *Purchases*

The Issuer or any of its subsidiaries or affiliates may, at any time purchase beneficially or procure others to purchase beneficially for its account Notes of any Series (provided that, in the case of definitive Notes, all unmatured Coupons appertaining thereto are purchased therewith) in the open market, by tender or by private treaty. Notes purchased or otherwise acquired by the Issuer or any of its subsidiaries or affiliates may be held or resold or, at the discretion of the Issuer, surrendered to the Agent for cancellation (together with (in the case of definitive Notes) any unmatured Coupons attached thereto or purchased therewith).

(g) *Cancellation*

All Notes which are redeemed or purchased or otherwise acquired as aforesaid and surrendered to the Agent for cancellation will forthwith be cancelled (together, in the case of definitive Notes, with all matured Coupons attached thereto or surrendered therewith at the time of redemption) and thereafter may not be re-issued or resold.

(h) *Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 8 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 12.

(i) *Interpretation*

In relation to CMU Notes, references in this Condition 5 to the Agent shall be deemed to be to the CMU Lodging and Paying Agent.

## 6 **Taxation**

All payments of principal and/or interest in respect of Notes and/or Coupons by or on behalf of the Issuer shall (save as may be provided in the applicable Final Terms) be made without withholding or deduction for, or on account of, any present or future tax, duty, assessment or governmental charge of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result (after such withholding or deduction) in receipt by the holders of the Notes or Coupons of the sums which would have been receivable (in the absence of such withholding or deduction) by them in respect of their Notes and/or Coupons; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) held by or on behalf of any holder who is liable to such tax, duty, assessment or charge in respect of such Note or Coupon by reason of his having some connection with The Netherlands other than the mere holding of such Note or Coupon; and/or
- (b) as a result of any withholding or deduction pursuant to the Withholding Tax Act 2021 (*Wet bronbelasting 2021*); and/or
- (c) in circumstances where such withholding or deduction would not be required if the holder or any person acting on his behalf had obtained and/or presented any form or certificate or had made a declaration of non residence or similar claim for exemption upon the presentation or making of which the holder would have been able to avoid such withholding or deduction.

For the avoidance of doubt, any amounts to be paid by the Issuer on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future official interpretations thereof or regulations with respect to such Sections, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a "**FATCA Withholding Tax**"), and the Issuer will not be required to pay additional amounts on account of any FATCA Withholding Tax.

The "**Relevant Date**" in respect of any payment means the date on which such payment first becomes due or (if the full amount of the moneys payable has not been duly received (in the case of Notes other than CMU Notes) in London by the Agent or (in the case of CMU Notes) in Hong Kong by the CMU Lodging and Paying Agent, in either case on or prior to such due date) the date on which, the full amount of such moneys having been so received, notice to that effect is given to the Noteholders in accordance with Condition 12.

## **7 Prescription**

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in case of principal) and five years (in case of interest) after the Relevant Date (as defined in Condition 6) therefor. There shall be no prescription period for Talons but there shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 7 or Condition 4(b) or any Talon which would be void pursuant to Condition 4(b).

## **8 Events of Default**

If any of the following events (each an "**Event of Default**") shall occur and is continuing:

- (a) if default is made for a period of seven days or more in the payment of any principal or 14 days or more in the payment of any interest due in respect of the Notes of that Series or any of them; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Notes of that Series and the Coupons (if any) relating thereto and such failure continues for a period of 30 days after written notice thereof has been given by a Noteholder to the Issuer requiring the same to be remedied; or
- (c) the Issuer is declared bankrupt; or
- (d) an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer, unless this is done in connection with a merger, consolidation or other form of combination with another company, the terms of which merger, consolidation or combination (A) have the effect of the emerging or such surviving company assuming all obligations contracted by the Issuer in connection with the Notes or (B) have previously been approved by an Extraordinary Resolution of the Noteholders;

then any Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Note(s) held by such Noteholder to be forthwith due and payable. Unless otherwise specified in the applicable Final Terms, Notes which become due and repayable pursuant to this Condition 8 shall be repaid by the Issuer at the relevant Early Redemption Amount specified in Condition 5(e), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

## **9 Replacement of Notes, Coupons and Talons**

Should any Note (including any global Note), Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of (in the case of Notes other than CMU Notes) the Agent or (in the case of CMU Notes) the CMU Lodging and Paying Agent, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer, the Agent or (in the case of CMU Notes) the CMU Lodging and Paying Agent may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.



## **10 Agent and Paying Agents**

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled at any time to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) so long as any Notes are listed on any stock exchange or admitted to listing by any other relevant listing authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or relevant listing authority;
- (b) so long as there are any CMU Notes outstanding, there will at all times be a CMU Lodging and Paying Agent; and
- (c) there will at all times be an Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 4(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 12.

If for any reason the Calculation Agent defaults in its obligations with respect to determining such Rate(s) of Interest and/or Interest Amounts, the Issuer may forthwith (without requiring the consent of the Noteholders) terminate the appointment of, and replace, the Calculation Agent solely for the purposes of such determinations, in which event notice thereof shall be given to the Noteholders in accordance with Condition 12 as soon as practicable thereafter.

Funds received by the Agent and any other Paying Agent for the payment of any sums due in respect of the Notes shall be held by them for the Noteholders and/or Couponholders until the expiration of the relevant period of prescription under Condition 7. The Agency Agreement contains provisions for the indemnification of the Paying Agents and for relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Issuer without being liable to account to the Noteholders or Couponholders for any resulting profit.

## **11 Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may (subject to Condition 7) be surrendered at the specified office of (in the case of Notes other than CMU Notes) the Agent, (in the case of CMU Notes) the CMU Lodging and Paying Agent or, in any case, any other Paying Agent outside the United States in exchange for a further Coupon sheet, including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

## **12 Notices**

All notices regarding the Notes of any Series shall be validly given if published in a leading English language daily newspaper of general circulation (in the case of Notes other than CMU Notes) in London (which is expected to be the *Financial Times*) or (in the case of CMU Notes) in Hong Kong (which is expected to be the *South China Morning Post*). Any such notice will be deemed to have been given on the date of such

publication in such leading newspaper or, if published more than once, on the date of the first publication. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the holders of the Notes of any Series in accordance with this Condition 12.

So long as no definitive Notes are in issue in respect of a particular Series, there may, so long as the global Note(s) for such Series is or are held in its or their entirety on behalf of (in the case of Notes other than CMU Notes) Euroclear and/or Clearstream, Luxembourg or (in the case of CMU Notes) the CMU Service, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to (in the case of Notes other than CMU Notes) Euroclear and/or Clearstream, Luxembourg or (in the case of CMU Notes) to the CMU Lodging and Paying Agent for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to (in the case of Notes other than CMU Notes) Euroclear and/or Clearstream, Luxembourg or (in the case of CMU Notes) to the CMU Lodging and Paying Agent.

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading, including publication on the website of the relevant stock exchange or relevant authority if required by those rules.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent (in the case of Notes other than CMU Notes) or the CMU Lodging and Paying Agent (in the case of Notes which are CMU Notes). Whilst any Notes (other than CMU Notes) are represented by a global Note, such notice may be given by a Noteholder to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg may approve for this purpose. Whilst any CMU Notes are represented by a global Note, such notice may be given by a Noteholder to the CMU Lodging and Paying Agent via the CMU Service in such manner as the CMU Lodging and Paying Agent and the CMU Service may approve for this purpose.

### **13 Meetings of Noteholders, Modification, Waiver and Substitution of Principal Debtor**

The Agency Agreement contains provisions for convening meetings of Noteholders (or the holders of the Notes of any one or more Series) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Terms and Conditions of the Notes of any one or more Series or the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than ten per cent. in nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being remaining outstanding. The quorum at any such meeting convened to consider a resolution proposed as an Extraordinary Resolution is two or more persons holding or representing a clear majority in nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders (or, as the case may be, holders of the Notes of the relevant one or more Series) whatever the nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being outstanding so held or represented, except that at any meeting the business of which includes the modification of certain of the Terms and Conditions of the Notes (or, as the case may be, the Notes of the relevant one or more Series) (including postponing the date of maturity of such Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of such Notes, or varying the method of calculating the rate of interest or reducing the minimum or maximum rate of interest on the Notes (other than as permitted in the Terms and Conditions of the Notes (or, as the case may be, the Notes of the relevant one or more Series))), altering the currency of payment of such Notes and the Coupons relating thereto or modifying the majority required to pass an Extraordinary Resolution, the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than two thirds, or at any adjourned such meeting not less than one third, in nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more

Series) for the time being outstanding. An Extraordinary Resolution in writing or duly passed at any meeting of the Noteholders (or, as the case may be, holders of the Notes of the relevant one or more Series) shall be binding on all the Noteholders (or, as the case may be, holders of the Notes of the relevant one or more Series), whether or not they are present at the meeting, and on all holders of Coupons relating to the relevant Notes.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution may consist of several instruments in the like form each executed by or on behalf of one or more Noteholder.

The Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders (or, as the case may be, the holders of the Notes or Coupons of the relevant one or more Series), to:

- (i) any modification of the Terms and Conditions of the Notes (or, as the case may be, the Notes of any one or more Series) which in their opinion is not materially prejudicial to the interests of the Noteholders or Couponholders (or, as the case may be, the holders of the Notes or Coupons of the relevant one or more Series); or
- (ii) any modification of the Notes (or, as the case may be, the Notes of the relevant one or more Series) or the Coupons relating thereto which is of a formal, minor or technical nature or is made to correct a manifest error or an error which is proven or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders and the Couponholders (or, as the case may be, the holders of the Notes or Coupons of the relevant one or more Series) and any such modification shall be notified to the Noteholders (or, as the case may be, the holders of the Notes of the relevant one or more Series) in accordance with Condition 12 as soon as practicable thereafter.

#### **14 Further Issues**

The Issuer shall be at liberty from time to time without the consent of the relevant Noteholders or Couponholders to create and issue further notes having terms and conditions the same as (or the same in all respects save for the Issue Date, Interest Commencement Date and Issue Price), and so that the same shall be consolidated and form a single Series with, the outstanding Notes of a particular Series.

#### **15 Calculation Agent determination**

All discretions exercised and calculations and determinations made in respect of the Notes by the Calculation Agent shall be made in good faith and shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Agent, the CMU Lodging and Paying Agent, any other Paying Agent, the Noteholders and the Couponholders.

#### **16 Governing Law and Submission to Jurisdiction**

The Agency Agreement, the Notes and the Coupons, and any non-contractual obligations arising out of or in connection with them, shall be governed by, and construed in accordance with, the laws of The Netherlands.

The Issuer irrevocably agrees for the benefit of the Noteholders and the Couponholders that the court (*rechtbank*) in Amsterdam, The Netherlands shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, (respectively, "**Proceedings**" and "**Disputes**") arising out of or in connection with the Notes (including Proceedings and Disputes relating to any non-contractual obligation arising out of or in connection with the Notes or Coupons) and accordingly submits to the exclusive jurisdiction of the Amsterdam courts.

## USE OF PROCEEDS

### *General*

The net proceeds from each issue of Notes will be applied by the Issuer to fund its general banking business. If, in respect of a particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms (or in the Pricing Supplement, in the case of Exempt Notes).

### *Green, Social or Sustainable Notes*

NatWest Group has developed a Green, Social and Sustainability Bond Framework (the "**Framework**") with the aim to attract dedicated funding for loans and investment that bring a positive environment or social impact. The Framework provides a clear and transparent set of criteria to enable investments which support the transition to a low carbon economy or bring positive social benefits, and create long-term value for our stakeholders.

The Framework dated October 2020 can be accessed at:

<https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/green-social-and-sustainability-bonds/gss-bond-framework-oct-2020.pdf>

In connection with the Framework, NatWest Group has appointed a sustainability specialist, Sustainalytics B.V., to issue an opinion confirming that the Framework is credible, impactful and it is aligned with the International Capital Market Association Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines (the "**Second Party Opinion**"), which can be accessed at:

<https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/green-social-and-sustainability-bonds/second-party-opinion-oct-2020.pdf>

### *Green and Social Loan Eligibility Criteria*

If so specified in the applicable Final Terms (or in the Pricing Supplement, in the case of Exempt Notes), the Issuer will allocate an amount of funding equivalent to the net proceeds from the relevant Tranche of Notes to finance and/or refinance, in whole or in part, 'Eligible Green' loans and/or 'Eligible Social' loans originated by NWM NV up to 36 months prior to the 'Green, Social or Sustainable Notes' issuance date (the "**Eligible Portfolio**") in line with the Framework. In addition, NWM NV must not be engaged in any business activity described in Appendix 1 of the Framework (*Excluded Sectors*). The categories below constitute 'Green and Social Loan Eligibility Criteria'.

- (i) *'Eligible Green' loans*
  - a) *Renewable Energy* – loans aimed at financing the equipment, development, manufacturing, construction, operation, distribution and maintenance of renewable energy generation sources.
  - b) *Pollution Prevention and Control* - loans aimed at financing technologies and operations supporting the reduction of air emissions, greenhouse gas control, soil remediation, waste prevention, waste reduction, waste recycling and energy/emission-efficient waste to energy.
  - c) *Green Buildings* – loans aimed at financing green buildings, which meet regional, national or internationally recognised standards or certifications.
  - d) *Clean Transportation* - loans aimed at financing technologies and operations supporting the transition to low carbon means of transportation. This would also include loans to infrastructure projects that would reduce the circulation of cars, as well as the manufacturing of infrastructure components.
- (ii) *'Eligible Social' loans*

- a) *Female-Owned Business Lending* - Financing/refinancing to Small and Medium size enterprises ("SMEs") where at least one of the owners of the enterprise is a woman.
- b) *Access to Essential Services* - Financing/refinancing of loans that enhance access to essential services (e.g. healthcare & education) including activities involving the development, expansion or acquisition of buildings, facilities, or equipment relating to:
  - Infrastructure for hospitals, laboratories, clinics, healthcare and hospices that are affiliated with the NHS, part of the NHS trust, or are more broadly accessible to the whole public.
  - Infrastructure for the provision of childcare and child, youth or adult education and vocational training services which are broadly accessible to the whole public.
- c) *Affordable Housing* - Financing/refinancing of loans that provide greater access to affordable housing in the UK in accordance to accredited or registered affordable housing definitions, or contributes to enhanced access for low income residents or marginalised communities, as defined in the Framework.
- d) *SME Lending* – financing/refinancing of loans to SMEs with geo-scoring of areas with high unemployment/low income, with potential targeting of specific sectoral activity codes, as further described in the Framework.

#### *Evaluation and selection process*

A Green, Social and Sustainability Bond working group meets regularly, and is responsible for:

- Approving the proposed assets for inclusion in the Eligible Portfolio.
- Managing the Eligible Portfolio over the lifetime of the Green, Social and Sustainability Note, to ensure that proceeds are used solely for the financing and refinancing of the 'Eligible Green' loans and 'Eligible Social' loans.
- Monitoring developments in the wider Green, Social and Sustainability notes sector and updating the Framework and eligibility criteria accordingly.
- Documenting the evaluation and selection process in order to facilitate external verification (if required) of whether selected loans meet the 'Green and Social Loan Eligibility Criteria'.

For the avoidance of doubt, neither the Framework nor the Second Party Opinion are, nor shall either of them be deemed to be, incorporated in, and/or form part of, this Base Prospectus.

## DESCRIPTION OF THE ISSUER

### 1 Overview

NatWest Markets N.V. (the "**Issuer**" or "**NWM NV**") is a wholly owned subsidiary of RBSH. The "**NWM NV Group**" comprises of the Issuer and its subsidiary and associated undertakings. The term "**NatWest Markets Group**" comprises RBSH and its only subsidiary, the Issuer. With effect from 29 November 2019, RBSH is a wholly-owned subsidiary of NatWest Markets Plc ("**NWM Plc**"). The term "**NWM Group**" comprises NatWest Markets Plc ("**NatWest Markets**") and its subsidiary and associated undertakings. NatWest Group plc is the ultimate holding company and the term "**NatWest Group**" comprises NatWest Group plc and its subsidiary and associated undertakings. NatWest Group plc is registered at 36 St Andrew Square, Edinburgh, Scotland.

### 2 History and Recent Developments

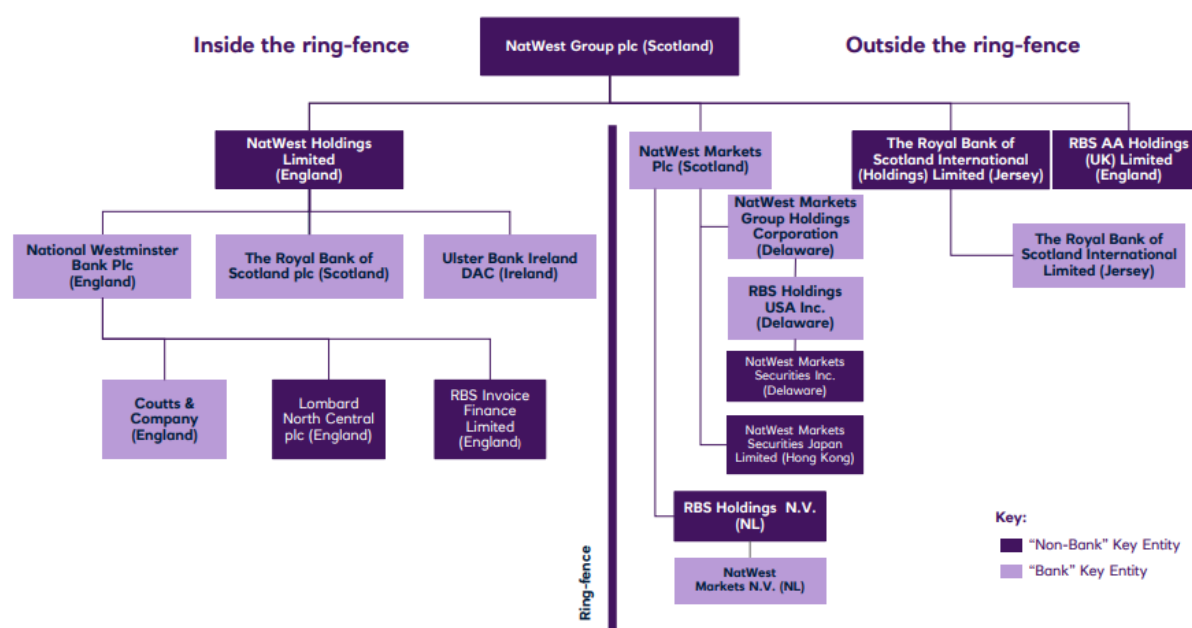
#### 2.1 History

The Issuer is a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of The Netherlands, has its registered address at Claude Debussylaan 1082 MD Amsterdam, The Netherlands and is registered in The Netherlands with the trade register of the Dutch Chamber of Commerce under number 33002587. The Issuer was incorporated on 7 February 1825.

Over time, the size and shape of the NWM Group's business and products and services offering has changed significantly. The NWM Group historically had a large, global investment banking presence, including as a result of the acquisition of National Westminster Bank in 2000 and the acquisition of ABN AMRO in 2007 in a consortium with Fortis and Banco Santander, but in 2009, initiated a significant restructuring of its wholesale investment and corporate banking business following the NatWest Group's strategic shift towards retail, commercial and institutional banking in the UK and Europe. In the context of this multi-year transformation, the NWM Group simplified its operating model, reduced its geographic footprint and products offering, refocused its core strengths and capabilities and created a more focused corporate and institutional bank built on its existing Currencies, Rates and Financing product and service strengths. This exercise also involved running down a consolidated portfolio of NatWest Group legacy assets with high long-term capital intensity and high credit risk exposure, pooled in the NatWest Group business segment formerly known as 'Capital Resolution.' This business segment was wound up at the end of 2017, but the remaining tail of the legacy assets portfolio has been integrated back into the NWM Group's structure. In 2013, the UK Government passed legislation which required UK banks to separate their retail and investment banking activities by 1 January 2019. These measures aimed to protect the core retail banking services on which customers rely by 'ring-fencing' such activities from risks associated with other activities, which remain outside the ring-fence.

To comply with this legislation, the NatWest Group undertook a reorganisation of its group legal entity structure and business model. Following the reorganisation, the NatWest Group has been split into ring-fenced and nonring-fenced entities. NatWest Group has placed the majority of the UK banking business in ring-fenced banking entities under an intermediate holding company, NatWest Holdings Limited. NWM Plc and RBS International Limited (RBSI Ltd) are separate banks outside the ring-fence. RBSH, which is the parent company of the Issuer, is a direct subsidiary of NWM Plc and an indirect subsidiary of NatWest Group plc. NWM NV is outside the ring-fence.

The chart below indicates the NatWest Group's current structure:



## 2.2 Recent Developments

### *The impact of the COVID-19 pandemic*

In March 2020, the World Health Organization declared the spread of the COVID-19 virus a pandemic. Since then, many countries, including The Netherlands and the UK (NWM NV and NatWest Group's most significant market) have at times imposed strict social distancing measures, restrictions on non-essential activities and travel quarantines, in an attempt to slow the spread and reduce the impact of the COVID-19 pandemic.

The Dutch economy, as well as most countries, went into recession in 2020 as measures were introduced to reduce the spread of the virus. The COVID-19 pandemic has caused significant reductions in levels of personal and commercial activity, reductions in consumer spending, increased levels of corporate debt and, for some customers, personal debt, increased unemployment and significant market volatility in asset prices, interest rates and foreign exchange rates. It has also caused physical disruption and slow-down to global supply chains and working practices, all of which have affected NWM NV Group's customers.

In the uncertain and rapidly changing environment brought about by the COVID-19 pandemic, NWM NV Group's priority has been to continue serving customers while protecting and supporting colleagues. NWM NV Group quickly mobilised business continuity plans in line with guidance from respective public health authorities and regulators to ensure that the bank remains fully operational and engaged with the vast majority of colleagues now working remotely. The bank is actively exploring new ways of working, smart engagement and investing in intelligent automation to support its clients and employees going forward.

The NWM Group, including NWM NV Group, has continued to actively engage with customers on their financing and risk management needs and supported them on a number of significant transactions.

See also notes 2 (*Accounting policies*) and 8 (*Loan impairment provisions*) to the financial statements included in the section entitled "Financial Statements - Notes" of the 2021 Interim Financial Statements for further information on the impact of the COVID-19 pandemic on NWM NV Group.

### *Prudential regulatory initiatives to address the negative impact of the COVID-19 pandemic*

Since the outbreak of the COVID-19 pandemic, various legislative and regulatory authorities have taken prudential regulatory initiatives to address the negative impact of COVID-19. These include the initiatives mentioned hereafter.

In March 2020, DNB announced the relaxation of certain requirements applicable to less significant institutions under its supervision, including NWM NV. These relaxations include allowing such institutions (i) to operate temporarily below the level of capital defined by the Pillar 2 guidance, the capital conservation buffer and the liquidity coverage ratio and (ii) to partially meet their Pillar 2 requirement with capital instruments that do not qualify as CET1 capital. In addition, DNB has followed the ECB and has recommended less significant institutions under its supervision, including NWM NV, to refrain from paying out dividends for the years 2019 and 2020 or to exercise extreme prudence when deciding on or paying out, and buying back shares, until at least 30 September 2021.

In March 2020, the EBA announced that it would take certain measures to alleviate the immediate operational burden on banks, including the postponement of stress test exercises to 2021. Furthermore, EBA provided further guidance on, amongst others, (a) measures to mitigate the increase in aggregated amounts of additional valuation adjustments (AVAs) under the prudent valuation framework (for institutions applying the core approach) and (b) a postponement of the FRTB-SA (Fundamental Review of the Trading Book – Standardised Approach) reporting requirement. EBA also recognised the need for a pragmatic approach for the 2020 SREP, focusing on the most material risks and vulnerabilities driven by the coronavirus crisis.

In April 2020, the European Commission adopted a banking package aimed at facilitating bank lending to support the economy. The package is intended to encourage banks and supervisory bodies to apply the EU's accounting and prudential rules more flexibly, and proposes certain targeted amendments to CRR. These targeted amendments were implemented by Regulation (EU) 2020/873, which entered into force on 27 June 2020, and include (i) changing the minimum amount of capital that banks are required to hold for non-performing loans, (ii) postponing the introduction of the leverage ratio buffer requirement to January 2023 and introducing targeted changes to the calculation of the leverage ratio and (iii) mitigating the impact of IFRS 9 provisions on CET1 capital through certain transitional arrangements.

#### *Business transfers*

The Issuer began transacting new business on 25 March 2019 as part of preparations to ensure continuity of service to NatWest Group's EEA customers for the period after the UK would have left the EU. The activities transferred primarily relate to Markets and Corporate Lending portfolios for EEA customers previously served from NWM Plc and the ring-fenced bank. The transfer was governed under Part VII Business Transfer of the Financial Services and Markets Act 2000 (the "**FSMA Scheme**").

As part of the commencement of new business, EUR 7.5 billion of assets and EUR 8.4 billion of liabilities were transferred from NWM Plc to the Issuer under the FSMA Scheme. These transfers included trading assets of EUR 4.3 billion, derivative assets of EUR 3.0 billion, trading liabilities of EUR 4.1 billion and derivative liabilities of EUR 4.1 billion. A further EUR 0.6 billion of lending and securitised products and EUR 1.5 billion of contingent liabilities and commitments were transferred from NWM Plc to the Issuer. Lending of EUR 0.5 billion and contingent liabilities and commitments of EUR 4.7 billion were transferred from NWB Plc to the Issuer in relation to the transfer of lending facilities from NWB Plc to NWM NV and NWM Plc (the "**Western European Transfers**"). As part of the Western European Transfers, in 2020 an amount of EUR 0.9 billion of contingent liabilities and commitments were transferred from NWB Plc to the Issuer and an amount of EUR 0.4 billion of contingent liabilities and commitments were transferred from the Issuer to NWB Plc. During the first six months of 2021 an amount of EUR 0.3 billion of contingent liabilities and commitments were transferred from NWM Plc to the Issuer and an amount of EUR 0.4 billion of contingent liabilities and commitments were transferred from the Issuer to NWB Plc. During the first six months of 2021, EUR 1.3 billion of assets and EUR 1.6 billion of liabilities were transferred from NWM Plc to the Issuer. These transfers which covered both FSMA Scheme and non-FSMA Scheme portfolios, included



trading assets of EUR 0.4 billion, derivative assets of EUR 0.9 billion, trading liabilities of EUR 0.4 billion and derivative liabilities of EUR 1.2 billion.

#### *Alawwal bank*

On 16 June 2019, the merger of Alawwal bank and the Saudi British Bank (SABB) was completed, with the Issuer receiving an aggregate 10.8% shareholding in SABB on behalf of itself and its consortium partners. NatWest Group's economic interest in the merged entity, amounting to 4.1%, was then sold to NWM Plc, and the balance of shares was transferred separately to RFSH B.V. consortium partners, as part of the unwind of those arrangements. On 29 November 2019, the NatWest Markets Group transferred to become a subsidiary of NWM Plc following regulatory approval. At the same time, the liquidation of RFSH B.V. commenced and was finalised on 6 December 2019. The Issuer has recognised an income gain on disposal of the Alawwal bank stake for shares received in SABB of €516 million, accounting for more than half of the Issuer's total income of €749 million for 2019.

### **3 Business and Customers**

The Issuer aims to help corporates and financial institutions manage their financial risks and support them in achieving their short and long-term financial goals while navigating changing markets and regulation, built around rates, currencies and financing products. The majority of the Issuer's activities relate to Markets and Corporate Lending portfolios for customers in the EEA. The suite of products and services that are offered by the Issuer are centred around three pillars:

#### ***Fixed income***

Fixed income includes a range of cash bond, repo and interest rate derivatives products that support customers' financing and hedging needs, together with the provision of liquidity and credit trading capabilities to support capital markets activities.

#### ***Currencies***

Foreign exchange (FX) services offered include high value content, bespoke risk management solutions with digital delivery through electronic platforms and venues. Currencies products include spot FX, FX forwards, FX swaps and FX options across G10 and emerging markets currencies.

#### ***Capital markets***

The Issuer's capital markets offering helps customers access global debt markets across a wide variety of products and target markets, including bonds, loans, commercial paper, medium term notes, hybrids, liability management and private placements as well as the provision of bespoke financing solutions and primary lending products.

The Issuer is focussed on its core European corporate customer base, global financial institutions and the provision of products and services to customers of the broader NatWest Group, providing access to markets products and services for NatWest Group entities across commercial, private banking and personal banking customer segments. As such, the Issuer, as part of the NWM Group non ring-fenced bank entity, and the NatWest Group entities inside the ring-fence continue to work together to deliver an integrated products and services proposition for relevant NatWest Group customers.

### **4 Strategy**

In February 2020, the NatWest Group announced its intention to become a more purpose-led organisation, operating with the aim to help people, families and businesses thrive. This strategy means balancing the interests and changing needs of all stakeholders, with a focus on the three core areas where the NatWest

Group believes it can make a contribution to the broader issues that are impacting the lives of its customers and communities. These are:

#### *Enterprise*

Addressing barriers to enterprise and business creation: becoming the biggest supporter of start-ups in the UK and the Republic of Ireland (RoI).

#### *Learning*

Skill building particularly around financial confidence: a leading learning organisation; enhancing the financial ability of the UK and RoI and the skills of employees.

#### *Climate change*

Supporting the necessary transition to a lower carbon economy: a leading bank in the UK and RoI helping to address the climate challenge.

As part of this new strategy, the NatWest Group undertook a review of its core businesses to inject greater discipline in its approach to customer and capital allocation. Following this review, the Issuer is being refocussed to support a more integrated corporate and institutional customer offering, which is intended to result in it having a sustainable future within the NatWest Group.

The Issuer has an important role in delivering this future strategy by connecting the NatWest Group's corporate and institutional customers with international capital markets and helping them to manage their financing and risk management needs.

The purpose-led approach is supported by NWM Group's strategic priorities and, taken together with the NWM Group's and the NatWest Group's financial targets, set out how the NWM Group expects to create value and deliver sustainable financial returns for the benefit of all NWM Group stakeholders.

NWM Group's strategic priorities are: 1) supporting customers, 2) being simple to deal with, 3) being powered by innovation and partnerships and 4) sharpened customer focus and capital allocation.

## **5 Competitive Position and Main Markets**

As part of the NatWest Group's strategy, the Issuer is the NatWest Group's banking and trading entity serving customers in the EEA. The Issuer's main market is therefore countries within the EEA, primarily The Netherlands, France and Germany. Other significant markets of the Issuer include Spain, Italy, , the UK and the US.

The Issuer competes with European domestic and regional banks, major international banks and a number of investment banks that offer the same products as the Issuer to financial institutions and European corporate customers. The wholesale banking segment is a competitive market, where maintaining competitiveness is in part driven by the franchise strength, intellectual capital, resource deployment and the ability to invest and innovate.

It is anticipated that as part of the refocussing (see paragraph 4 (*Strategy*)), there will be a simplified product suite across Currencies, Rates and Financing (see also paragraph 3 (*Business and Customers*) above) with a substantial reduction in capital allocated to institutional Rates over the medium term. The reduction in capital towards institutional rates may lead to lower market positions and share across Rates Products with these customers.

## **6 Geographic footprint**

The Issuer offers its customers trading, risk management and financing solutions through its head office in Amsterdam as well as its branches located in France, Germany, Ireland, Italy, Spain and Sweden. It also

utilises global service centres in Poland and India. As stated above (see "*Business and Customers*"), the Issuer has decided to close its branch in Spain, which will take effect in the course of 2022.

## **7 Legal and Arbitration Proceedings**

The Issuer and certain members of NatWest Group are party to legal proceedings and involved in regulatory matters, including as the subject of investigations and other regulatory and governmental action ("**Matters**") in The Netherlands, the UK, the EU, the United States and other jurisdictions. Save as set out in this section "*Legal and Arbitration Proceedings*", there are no legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of NWM NV Group and/or the Issuer.

In many of these Matters, it is not possible to determine whether any loss is probable or to estimate reliably the amount of any loss, either as a direct consequence of the relevant proceedings and regulatory matters or as a result of adverse impacts or restrictions on NWM NV Group's reputation, businesses and operations. Numerous legal and factual issues may need to be resolved, including through potentially lengthy discovery and document production exercises and determination of important factual matters, and by addressing novel or unsettled legal questions relevant to the proceedings in question, before a liability can reasonably be estimated for any claim. NWM NV Group cannot predict if, how, or when such claims will be resolved or what the eventual settlement, damages, fine, penalty or other relief, if any, may be, particularly for claims that are at an early stage in their development or where claimants seek substantial or indeterminate damages.

There are situations where NWM NV Group may pursue an approach that in some instances leads to a settlement agreement. This may occur in order to avoid the expense, management distraction or reputational implications of continuing to contest liability, or in order to take account of the risks inherent in defending claims or regulatory matters, even for those matters for which NWM NV Group believes it has credible defences and should prevail on the merits. The uncertainties inherent in all such matters affect the amount and timing of any potential outflows for both matters with respect to which provisions have been established and other contingent liabilities.

The future outflow of resources in respect of any matter may ultimately prove to be substantially greater than or less than the aggregate provision that NWM NV Group has recognised.

### *Litigation*

#### **Madoff**

The Issuer is a defendant in two actions filed by Irving Picard, as trustee for the bankruptcy estates of Bernard L. Madoff and Bernard L. Madoff Investment Securities LLC, in bankruptcy court in New York. In both cases, the trustee alleges that certain transfers received by the Issuer amounted to fraudulent conveyances that should be clawed back for the benefit of the Madoff estate. In the primary action, filed in December 2010, the trustee is seeking to clawback a total of US\$276.3 million in redemptions that the Issuer allegedly received from certain Madoff feeder funds and certain swap counterparties. In March 2020, the bankruptcy court denied the trustee's request for leave to amend its complaint to include additional allegations against NWM NV, holding that, even with the proposed amendments, the complaint would fail as a matter of law to state a valid claim against NWM NV. The trustee has commenced an appeal of the bankruptcy court's decision, which has been stayed pending the result of appeals in different proceedings, against different defendants, that involve similar issues. In the second action, filed in October 2011, the trustee seeks to recover an additional US\$21.8 million. This action has been stayed pending the result of the appeal in the primary action.

#### **Australian Bank Bill Swap Reference Rate (BBSW)**

In August 2017, a class action complaint was filed in the United States District Court for the Southern District of New York against certain NatWest Group companies (including the Issuer) and a number of other financial institutions. The complaint alleges that the defendants conspired to manipulate the BBSW and asserts claims under the U.S. antitrust laws, the Commodity Exchange Act, RICO (Racketeer Influenced and Corrupt Organizations Act), and the common law. The court dismissed all claims against NatWest Group companies for lack of personal jurisdiction in November 2018, but plaintiffs filed an amended complaint. On 13 February 2020, the court declined to dismiss the amended complaint as against NWM Plc and certain other defendants, but reiterated its prior dismissal of all claims asserted against the Issuer. The claims against non-dismissed defendants (including NWM Plc) are now proceeding in discovery.

#### **Fondazione Monte dei Paschi di Siena**

A claim for €285.9 million was brought by Fondazione Monte dei Paschi di Siena (FMPS) in July 2014 against former directors and 13 syndicate banks, including the Issuer and NWM Plc, in connection with an Italian law governed term facility agreement for €600 million dated 4 June 2011. The claim is a civil action based on a non-contractual liability arising from the alleged breach of the by-laws of FMPS which set a 20 per cent limit for its debt to equity ratio (the Ratio). The lenders are alleged to have aided and abetted the former directors of FMPS to breach the Ratio. It is alleged that as sophisticated financial institutions, each lender should have known FMPS's financial situation, including its debt to equity ratio, and that putting the facility in place would cause it to breach the Ratio. The Issuer is defending the claim in the Florence courts.

#### **US Anti-Terrorism Act litigation against the Issuer**

The Issuer and certain other financial institutions, are defendants in several actions pending in the United States District Courts for the Eastern and Southern Districts of New York, filed by a number of US nationals (or their estates, survivors, or heirs), most of whom are or were US military personnel, who were killed or injured in attacks in Iraq between 2003 and 2011. NWM Plc is also a defendant in some of these cases.

The attacks at issue in the cases were allegedly perpetrated by Hezbollah and certain Iraqi terror cells allegedly funded by the Islamic Republic of Iran. According to the plaintiffs' allegations, the defendants are liable for damages arising from the attacks because they allegedly conspired with Iran and certain Iranian banks to assist Iran in transferring money to Hezbollah and the Iraqi terror cells, in violation of the US Anti-Terrorism Act, by agreeing to engage in 'stripping' of transactions initiated by the Iranian banks so that the Iranian nexus to the transactions would not be detected.

The first of these actions was filed in the United States District Court for the Eastern District of New York in November 2014. In September 2019, the district court dismissed the case, finding that the claims were deficient for several reasons, including lack of sufficient allegations as to the alleged conspiracy and causation. The plaintiffs are appealing the decision to the United States Court of Appeals for the Second Circuit. Another action, filed in the United States District Court for the Southern District of New York in 2017, was dismissed in March 2019 on similar grounds, but remains subject to appeal to the United States Court of Appeals for the Second Circuit. Other follow-on actions that are substantially similar to the two that have now been dismissed are pending in the same courts.

#### *Regulatory matters (including investigations)*

NWM NV Group's financial condition can be affected by the actions of various governmental and regulatory authorities in The Netherlands, the UK, the EU, the US and elsewhere. NatWest Group has engaged, and will continue to engage, in discussions with relevant governmental and regulatory authorities, including in The Netherlands, the UK, the EU, the US and elsewhere, on an ongoing and regular basis, and in response to informal and formal inquiries or investigations, regarding operational, systems and control evaluations and issues including those related to compliance with applicable laws and regulations, including consumer protection, investment advice, business conduct, competition/anti-trust, VAT recovery, anti-bribery, anti-money laundering and sanctions regimes.

The NatWest Markets business in particular has been providing, and continues to provide, information regarding a variety of matters, including, for example, offering of securities, the setting of benchmark rates and related derivatives trading, conduct in the foreign exchange market, product mis-selling and various issues relating to the issuance, underwriting, and sales and trading of fixed income securities, including structured products and government securities, some of which have resulted, and others of which may result, in investigations or proceedings.

Any matters discussed or identified during such discussions and inquiries may result in, among other things, further inquiry or investigation, other action being taken by governmental and regulatory authorities, increased costs being incurred by NWM NV Group, remediation of systems and controls, public or private censure, restriction of NWM NV Group's business activities and/or fines. Any of the events or circumstances mentioned in this paragraph or below could have a material adverse effect on NWM NV Group, its business, authorisations and licences, reputation, results of operations or the price of securities issued by it, or lead to material additional provisions being taken.

### **EGB investigation**

On 20 May 2021, the EC announced that it had adopted a decision in relation to an investigation into potential competition law violations in the primary and secondary market trading of European government bonds (EGBs) between 2007 and 2011 which involved the NatWest Markets business and six other banks. NatWest Group revealed the conduct to the EC and co-operated throughout the EC's investigation. NatWest Group (including NWM Plc and NWM NV) was granted immunity by the EC and was not fined.

## **8 Information Technology and Operations**

As part of the NWM Group, the Issuer's IT infrastructure and operations are managed on an outsourced base by a global team spanning locations in the UK, Poland and India. The team contributes to the Issuer's future growth and success in a number of ways, including the modernisation and simplification of the NWM Group's core infrastructure and services, much of which is currently consumed from NatWest Group plc. There are a number of key drivers behind the modernisation and simplification of the NWM Group's infrastructure, such as cost efficiencies, acceleration of innovation, interoperability and the speed at which the NWM Group can deliver its products and services to customers and engagement with market participants – all made possible through amongst others cloud-technology and intelligent automation. The NWM Group is also refreshing the suite of tools employees use to help them to be more creative, collaborative and productive wherever they are and to actively support in continuous learning and well-being.

## **9 Employees**

As at 31 December 2020, NWM NV Group employed approximately 200 people (full-time equivalent basis, including temporary workers), within continuing operations.

## **10 Management and shareholdings**

### **10.1 Managing Board**

The members of the Managing Board and NWM NV Group are responsible for the general affairs of NWM NV Group and its subsidiaries. The members are appointed by the General Meeting of Shareholders.

The Supervisory Board of NWM NV nominates one or more candidates for each vacant seat in the Managing Board. If the Supervisory Board nominates two or more candidates for a vacant seat in the Managing Board, the nomination list is binding. The members of the Managing Board are accountable both collectively and individually for all decisions taken by the Managing Board. The members of the Managing Board are appointed by the general meeting of shareholders of NWM NV.

The Chairman of the Managing Board leads the members of the Managing Board in its overall management of NWM NV Group to achieve its performance goals and ambitions. The Chairman of the Managing Board is the main point of liaison with the Supervisory Board. The Chief Financial Officer is responsible for the financial affairs of NWM NV Group. Alongside their overall corporate responsibilities, the members of the Managing Board are responsible for the management of the control and support functions. The Managing Board has delegated certain tasks to a number of Managing Board committees which are described in paragraph 10.2 below.

#### *Composition of the Managing Board*

The members of the Managing Board as at the date of this Base Prospectus are as follows:

		Date of first appointment	Date for re-election
Cornelis Visscher	(Dutch, male)	18 July 2021	18 July 2025
Angelique Slach	(Dutch, female)	18 March 2019	18 March 2023
Marije Elkenbracht	(Dutch, female)	15 February 2019	15 February 2023

#### **Cornelis Visscher – Chief Financial Officer, Interim Chief Executive Officer and Chairman of the Managing Board**

Mr Visscher graduated from the Vrije Universiteit in Amsterdam with a degree in Business Economics, specialised in Financial Accounting and Management Accounting. He started his career at ABN AMRO in 1988, where, after several functions in Divisional and Group Finance, he ultimately became responsible for the delivery of ABN AMRO's Group Management Information. Following the acquisition of ABN AMRO by NatWest Group and Consortium members, Mr Visscher became the head of Group Consolidation, in which he was responsible for the split of the ABN AMRO accounts between the Consortium members. Furthermore, in 2011 Mr Visscher was seconded to Edinburgh where he became the Head of Financial Control for the Retail & Wealth, Corporate and Business Services Divisions of NatWest Group. In this role, he was, amongst other things, responsible for the Offshore programme. As of 2013 he is the Chief Financial Officer for NWM NV Group and a member of the NWM NV Managing Board. In addition, Mr Visscher has been appointed as interim Chief Executive Officer and Chairman of the Management Board of NWM NV effective from 1 September 2021 in advance of the resignation of Mr Bots as of 30 September 2021.

#### **Angelique Slach - Chief Operating Officer**

Ms Slach started her career in Technology at Rabobank's International division after finalising her Business and Financial Economics studies. She fulfilled roles within the international organisation ranging from programme management, strategy, regulatory compliance to managerial roles in both front- and back-office. She gained vast experience working in Wholesale Banking and Capital Markets with her latest roles as Chief Operations Officer for Global Financial Markets, Global Head of Operations and Chief Innovation Officer for Trade and Commodity Finance.

#### **Marije Elkenbracht - Chief Risk Officer**

Ms Elkenbracht brings 22 years of experience in various risk and strategy roles in ABN AMRO and NIBC. Before joining NWM NV Group, Ms Elkenbracht was Managing Director Risk Modelling at ABN AMRO and member of the Supervisory Board of the ABN AMRO Mortgage group. Prior to these roles, she held the position of Managing Director Market, ALM and Treasury Risk also at ABN AMRO. Ms Elkenbracht holds a Master's degree and a PhD in Mathematics from the University of Leiden.

## **10.2 Managing Board Committees**

In order to provide effective oversight and leadership, the Managing Board has three sub-committees, being the Risk & Control Committee (RCC), the Asset & Liability management Committee (ALCo) and the Disclosure Committee.

#### *Risk & Control Committee (RCC)*

The RCC oversees the risk framework within NWM NV Group, monitors the actual risk profile and advises the Managing Board on these matters. Its scope is, amongst others, credit, market, operational, compliance and financial crime, and regulatory risk within NWM NV Group.

#### *Asset & Liability Committee (ALCo)*

The Managing Board has delegated to the ALCo the responsibility for the management of capital, liquidity, interest rate risk and foreign exchange risk. This includes responsibility for reviewing, approving and allocating balance sheet, capital, liquidity and funding limits.

#### *Disclosure Committee*

The Disclosure Committee advises and assists the Managing Board in fulfilling its responsibilities for overseeing the accuracy and timeliness of public disclosures made by NWM NV Group. This *inter alia* includes advising the Managing Board on the disclosure of financial information.

### **10.3 Supervisory Board**

The main task of the Supervisory Board is to supervise the Managing Board, as well as the general affairs of NWM NV Group and its associated enterprises. Furthermore, it assists and advises the Managing Board and supervises the corporate governance structure of NWM NV Group.

In performing their duties, the members of the Supervisory Board are guided by the interests of NWM NV Group and the businesses connected to it taking into account the relevant interests of NWM NV Group's stakeholders. Certain powers are vested in the Supervisory Board, including the approval of certain resolutions of the Managing Board.

#### *Composition of the Supervisory Board*

The members of the Supervisory Board as at the date of this Base Prospectus are as follows:

#### **Robert Begbie – Chairman of the Supervisory Board**

Mr Begbie was appointed Chief Executive Officer of NatWest Markets in June 2020 having held the interim post since December 2019. NatWest Markets supports corporate and institutional customers, helping them to manage their risk and access international capital markets.

Mr Begbie was appointed as Chairman and member of the Supervisory Board on the 1<sup>st</sup> of April 2020.

Mr Begbie has been with the NatWest Group for 40 years and has extensive experience in treasury and capital markets. During his career, he has built successful capital markets businesses across fixed income, derivatives, asset management and cash markets and led teams in the UK, Europe, Asia and the US.

After spending 20 years in our Markets business, Mr Begbie joined Treasury in 2009 where he was instrumental in transforming the NatWest Group's balance sheet. In 2017 Mr Begbie was appointed as NatWest Group Treasurer with responsibilities for all aspects of Treasury and the management of the bank's balance sheet.

He holds an MBA from CASS Business School and is a former president of The Chartered Institute of Bankers in Scotland (London Branch).

#### **Maarten Klessens - Vice- Chairman of the Supervisory Board and Chairman of both the Audit and Board Risk Committee**

Mr Klessens was appointed as an independent member of the Supervisory Board on 2 September 2015 and re-appointed on 30 August 2019. In 2017 he was also appointed as member of the executive board of Trier Holding B.V. In 2016 he joined the Supervisory Board of Bank of Africa Holding S.A. and the Supervisory Board of DHB Bank NV in The Netherlands. He was senior advisor Benelux for StormHarbour Securities LLP, London in 2014 and 2015. From 2011 he was acting head of Global Country Risk for NatWest Group and was responsible for country appetite setting and exposure management with special attention for the financial stress in the Eurozone periphery. Mr Klessens started his career with ABN AMRO in 1986, in structured aircraft finance. In 1997 he was appointed Corporate Executive Vice President for ABN AMRO and had subsequent responsibilities in wholesale product teams, client management and Group Risk. For 12 years he was a voting member of ABN AMRO's Group Risk Committee. Mr Klessens holds a postgraduate in Financial Economics of Tilburg University and a Master in Business Economics of Erasmus University Rotterdam and has had executive training at IMD, INSEAD and University of Michigan.

#### **Annelies van der Pauw - member of the Audit Committee**

Ms Van der Pauw was appointed as an independent member of the Supervisory Board on 3 March 2019. Ms Van der Pauw is a partner of the international law firm Allen & Overy LLP (A&O) and has chaired the Amsterdam corporate practice group of A&O since 2006. In her practice, Ms Van der Pauw focuses on mergers and acquisitions and corporate governance issues. Ms Van der Pauw also has equity capital markets experience. Ms Van der Pauw is also the co-chair of the A&O global corporate responsibility programme and a member of the board of the global A&O Foundation. Ms Van der Pauw has been with A&O and its predecessors since 1987.

#### **Anne Snel - member of the Board Risk Committee**

Ms Snel was appointed as an independent member of the Supervisory Board on 25 March 2019. Ms Snel is currently the Head of Risk and Compliance at DIF, a fund manager specialised in infrastructure investment. She has held senior risk roles at Rabobank including Head of Operational Risk and Head of Integrated Risk. She brings a strong understanding of risk and regulation and excellent relationships with both DNB and ECB, having previously worked in banking supervision at DNB. Through her last role at Rabobank, she established the Regulatory Oversight function and also the Supervisory Relations function in order to enhance the relationship with Dutch and European regulators. She also has many years of experience in wholesale banking and private equity with ABN AMRO. Ms Snel is experienced in the local legal, regulatory and commercial environment.

#### **David King - Chief Financial Officer NatWest Markets Plc and member of the NWM NV Supervisory Board**

Mr King joined the Supervisory Board of NWM NV on 1 February 2021. Mr King is the Chief Financial Officer of NWM Plc, which he joined in July 2020. As a member of the NatWest Markets Management Team and an Executive Director of the NatWest Markets Board, he is collectively responsible for the long-term success of NatWest Markets and the delivery of sustainable shareholder value. Prior to joining NWM Plc Mr King was Chief Executive Officer at MUFG Securities, where he was previously the Chief Financial Officer. He has held senior finance roles at Lloyds, HBOS and Halifax, and worked in the RBS Financial Markets Finance team between 1995 and 2001. Mr King has a bachelor's degree in Mathematics from the University of Surrey.

### **10.4 Activities of the Supervisory Board and its sub-committees**

Risk and audit topics are discussed on a regular basis and a report with deliberations and findings is prepared for each regular meeting of the Audit Committee and Board Risk Committee. Specific nomination and remuneration topics are also discussed on a regular basis. The Supervisory Board works alongside the NatWest Group Remuneration Committee to ensure the implementation of a restrained and longterm remuneration policy that is aligned with the organisation's strategy and risk appetite for NWM NV Group.



In addition, specific remuneration provisions have been included into the Rules governing the Supervisory Board's Principles and best Practices.

## 10.5 Conflict of Interest

The Issuer has procedures in place to ensure that the Managing Board and Supervisory Board's management of conflicts of interest and its powers for authorising certain conflicts are operating effectively. On appointment, each Managing and Supervisory director is provided with the Issuer's guidelines for referring conflicts of interest to the Managing Board and Supervisory Board (as applicable). Each director is required to notify the Managing Board or Supervisory Board, as applicable, of any actual or potential situational or transactional conflicts of interest and to update the Managing Board or Supervisory Board, as applicable, with any changes to the facts and circumstances surrounding such conflicts.

Up to the date of this Base Prospectus, no potential conflicts of interest exist between any duties to the Issuer of the directors listed above and their private interests and/or other duties.

## 10.6 Remuneration and Benefits

### *Remuneration of the Managing Board*

The Managing Board during (most of) the year 2020 comprised the following members: (1) H. Bots, (2) C. Visscher, (3) M. Elkenbracht and (4) A. Slach.

As a result of the repurposing of NWM NV's banking licence, the number of Managing Board members has increased in 2019 and they have spent all their time on NWM NV matters. Members receive pension benefits through their employment in NatWest Group. The remuneration of the Managing Board for 2020 is presented in aggregate in the table below. NatWest Group plc and its subsidiaries adhere to relevant statutory requirements and NatWest Group discloses individual remuneration of NatWest Group executive directors, compliant with the UK PRA Remuneration Code.

	2020 €000	2019 €000
Salaries and short-term benefits	1,682	1,604
Pensions	301	285
Profit sharing and bonus payments	236	348
<b>Total</b>	<b>2,219</b>	<b>2,237</b>

#### Notes:

- (1) There are no loans from NWM N.V. Group to the Managing Board members.
- (2) The vesting of long-term incentive awards in the form of shares in NatWest Group will normally be subject to the satisfaction of financial and non-financial performance conditions. The performance conditions will be set by the NatWest Group Performance and Remuneration Committee for each award. In addition, awards will only vest to the extent the Committee is satisfied that the vesting outcome reflects underlying financial results and if conduct and risk management during the performance period has been effective.

### *Remuneration of the Supervisory Board*

The Supervisory Board during the year comprised the following members: (1) R. Begbie (from 1 April 2020), (2) M. Klessens, (3) A. van der Pauw, (4) A. Snel, and (5) D. King (from 1 February 2021).

The Supervisory Board included members employed elsewhere within NatWest Group. The Supervisory Board members from NatWest Group were not remunerated for time spent on matters relating to NWM NV. The table below provides information:

	2020 €000	2019 €000
Remuneration (1)	144	123

#### Note:

- (1) There are no loans from NWM N.V. Group to the Supervisory Board members.

## 10.7 Shareholdings

RBSH is holding 100 per cent. of the Issuer's issued and outstanding shares. The shares of the Issuer are unlisted.

## **10.8 Related-party transactions**

NWM NV Group has a related party relationship with associates, joint ventures, key management and shareholders. The UK Government through HM Treasury is the ultimate controlling party of NatWest Group plc. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions. NWM NV Group enters into a number of banking transactions with related parties in the normal course of business. These transactions include loans, deposits, foreign currency transactions and receiving of services. These transactions are carried out on commercial terms and at market rates. Employees are offered preferential terms for certain banking products.

### *Interim pricing agreement*

The Issuer is a party to transfer pricing arrangements with NWM Plc under which the Issuer during H1 2021 received income of EUR 76 million (EUR 53 million in H1 2020) for the activities it now performs for European clients on behalf of NWM Plc.

## **10.9 Business address**

The business address of the members of the Managing Board and the Supervisory Board is Claude Debussylaan 94, 1082 MD Amsterdam, The Netherlands.

## **11 Material contracts**

The following agreements have been entered into by the Issuer other than in the ordinary course of business and could result in any member of the NWM NW Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes.

### *Risk-sharing agreements*

#### *(i) Funded guarantee by NWM Plc*

The Issuer and NWM Plc have entered into a risk-sharing arrangement that includes a funded guarantee provided to the Issuer by NWM Plc. This funded guarantee has a maximum value of EUR 3.3 billion and limits the Issuer's exposure to large individual customer credits to 10% of the Issuer's capital. Funding is provided by NWM Plc deposits placed with the Issuer of not less than the guaranteed amount. At 30 June 2021 the deposits amounted to EUR 0.8 billion and the guarantee fees in the period were EUR 3.8 million.

#### *(ii) Funded and unfunded guarantees by NWM Plc*

The Issuer and NWM Plc have entered into a funded and an unfunded guarantee in respect of the Issuer's legacy portfolio. At 30 June 2021 the exposure at default covered by the guarantees was approximately EUR 0.3 billion (of which EUR 0.1 billion was cash collateralised). The guarantee fees payable in the period were EUR 4.7 million.

## THE NETHERLANDS - TAXATION

*The following summary of certain Dutch taxation matters is based on the laws and practice in force (in werking getreden) as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of a Note, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.*

*For the purpose of the paragraph "Taxes on Income and Capital Gains" below it is assumed that a Holder, being an individual or a non-resident entity, neither has nor will have a substantial interest (aanmerkelijk belang), or - in the case of a Holder being an entity - a deemed substantial interest, in the Issuer and that no connected person (verbonden persoon) to the Holder has or will have a substantial interest in the Issuer.*

*Generally speaking, an individual has a substantial interest in a company if (a) such individual, either alone or together with his partner, directly or indirectly has, or is deemed to have or (b) certain relatives of such individual or his partner directly or indirectly have or are deemed to have (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of such company. Generally, an individual has a deemed substantial interest in a company if (i) such individual or such individual's predecessor has disposed of or is deemed to have disposed of all or part of a substantial interest or (ii) such individual has transferred an enterprise in exchange for shares in such company, in each case, on a non-recognition basis.*

*Generally speaking, a non-resident entity has a substantial interest in a company if such entity, directly or indirectly has (I) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (II) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of such company. Generally an entity has a deemed substantial interest in a company if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.*

*For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes or would be taxable as a corporation for Dutch corporate tax purposes in case such corporation or other person would be or would be deemed to be tax resident in The Netherlands for Dutch corporate tax purposes.*

*Where this summary refers to a holder of a Note, an individual holding a Note or an entity holding a Note, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Note or otherwise being regarded as owning a Note for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.*

*Where the summary refers to "The Netherlands" or "Dutch" it refers only to the European part of the Kingdom of The Netherlands.*

***Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of a Note.***

### **1. WITHHOLDING TAX**

All payments of principal and interest by the Issuer under the Notes can be made without withholding or deduction

of any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes qualify as debt effectively functioning as equity within the meaning of article 10, paragraph 1, sub d, of the Corporate Tax Act (*Wet op de vennootschapsbelasting 1969*) and save that, as of 1 January 2021 Dutch withholding tax may apply on certain (deemed) payments of interest made to an affiliated (*gelieerde*) entity of the Issuer if such entity (i) is considered to be resident (*gevestigd*) in a jurisdiction that is listed in the annually updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation for another person and the transaction is considered an artificial arrangement, transaction or a series of arrangements that has or have not been put in place for valid commercial reasons reflecting economic reality, or (iv) is not considered to be the recipient of the interest in its jurisdiction of residence because such jurisdiction treats another (lower-tier) entity as the recipient of the interest (a hybrid mismatch), or (v) is not treated as resident anywhere (also a hybrid mismatch), all within the meaning of the Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

## **2. TAXES ON INCOME AND CAPITAL GAINS**

### **Residents**

#### *Resident entities*

An entity holding a Note which is or is deemed to be resident in The Netherlands for Dutch corporate tax purposes and which is not tax exempt, will generally be subject to Dutch corporate tax in respect of income or a capital gain derived from a Note at the prevailing statutory rates (up to 25 per cent in 2021).

#### *Resident individuals*

An individual holding a Note who is or is deemed to be resident in The Netherlands for Dutch income tax purposes will generally be subject to Dutch income tax in respect of income or a capital gain derived from a Note at the prevailing statutory rates (up to 49.50 per cent in 2021) if:

- (i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or
- (ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Dutch Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, such individual will generally be subject to Dutch income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from a Note. For 2021, the deemed return ranges from 1.90 per cent to 5.69 per cent of the value of the individual's net assets as at the beginning of the relevant fiscal year (including the Note). The applicable rates will be updated annually on the basis of historic market yields. Subject to application of certain allowances, the deemed return will be taxed at the prevailing statutory rate (31 per cent in 2021).

### **Non-residents**

A holder of a Note which is not and is not deemed to be resident in The Netherlands for the relevant tax purposes will not be subject to Dutch taxation on income or a capital gain derived from a Note unless:

- (i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste*

*inrichting*) or a permanent representative (*vaste vertegenwoordiger*) taxable in The Netherlands and the holder derives profits from such enterprise (other than by way of the holding of securities); or

- (ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

### **3. GIFT AND INHERITANCE TAXES**

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

- (iii) the holder is or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or
- (iv) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

### **4. VALUE ADDED TAX**

There is no Dutch value added tax payable by a holder of a Note in respect of payments in consideration for the issue or acquisition of a Note, payments of principal or interest under a Note, or payments in consideration for a disposal of a Note.

### **5. OTHER TAXES AND DUTIES**

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in The Netherlands by a holder of a Note in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of The Netherlands) of a Note or the performance of the Issuer's obligations under a Note.

### **6. RESIDENCE**

A holder of a Note will not be and will not be deemed to be resident in The Netherlands for Dutch tax purposes and, subject to the exceptions set out above, will not otherwise become subject to Dutch taxation, by reason only of acquiring, holding or disposing of a Note or the execution, performance, delivery and/or enforcement of a Note.

## CERTAIN OTHER TAXATION CONSIDERATIONS

### The Proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission Proposal**") for a Directive for a common FTT in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia, Slovakia (the "**participating Member States**") and Estonia. Estonia has since stated that it will not participate.

The Commission Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission Proposal the FTT could apply in certain circumstances to persons both within and outside the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

### FATCA Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including The Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment". Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement (the "**Programme Agreement**") dated 30 September 2021, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Notes" above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme.

### **Selling Restrictions**

#### **(a) United States of America**

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to, or for the account or benefit of, a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and the regulations thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Programme Agreement, it will not offer, sell or deliver any Notes within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all Notes of such Tranche (the "**distribution compliance period**") except in accordance with Rule 903 of Regulation S under the Securities Act, and it will have sent to each other dealer or person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further represented and agreed, and each further dealer or distributor will be required to further agree, that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with all of the offering restrictions of Regulation S of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the completion of the distribution of the Notes of a Tranche, an offer or sale of Notes of such Tranche within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act if such offer is made otherwise than in accordance with an available exemption from registration under the Securities Act.

**(b) EEA**

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms or Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

**(c) The Netherlands**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that as long as it does not have the benefit of a licence or exemption as investment firm of the relevant type pursuant to the FMSA, it shall not offer any Notes or distribute this Base Prospectus or any circulars, offer documents or information relating to the Issuer or the Notes in The Netherlands.

Zero Coupon Notes in definitive bearer form and other Notes in definitive bearer form on which interest does not become due and payable during their term but only at maturity (savings certificates or *spaarbewijzen* as defined in The Netherlands Savings Certificates Act or *Wet inzake spaarbewijzen*, the "SCA") may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam NV with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Notes to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business and (iii) the issue and trading of such Notes if they are physically issued outside The Netherlands and are not immediately thereafter distributed in The Netherlands.

As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

**(d) United Kingdom**

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this



Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression retail investor means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA.
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not, if it was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

**(e) Australia**

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Australian Corporations Act**")) in relation to the Programme or any Notes has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission ("**ASIC**") or any other regulatory authority in Australia. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) (or any other supplement to this Base Prospectus) otherwise provides, it:

- (i) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of any Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (ii) has not distributed or published, and will not distribute or publish, any information memorandum, prospectus or any other offering material or advertisement relating to the Programme or any Notes in Australia,

unless:

- (iii) the aggregate consideration payable by each offeree or invitee is at least AUD 500,000 (or its equivalent in an alternative currency, and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to

investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act and, in all cases, complies with the terms of any authority granted under the Banking Act 1959 of the Commonwealth of Australia;

- (iv) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Australian Corporations Act;
- (v) such action complies with all applicable laws, regulations and directives in Australia (including, without limitation, the financial services licensing requirements of Chapter 7 of the Australian Corporations Act); and
- (vi) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

By applying for Notes under the Base Prospectus, each person to whom Notes are issued (an "**Investor**"):

- (a) will be deemed by the Issuer and each of the Dealers to have acknowledged that if any Investor on-sells Notes within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the Corporations Act) with ASIC unless either:
  - (i) that sale is to an investor within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act to whom it is lawful to offer Notes in Australia without a prospectus or other disclosure document lodged with ASIC; or
  - (ii) the sale offer is received outside Australia; and
- (b) will be deemed by the Issuer and each of the Dealers to have undertaken not to sell those Notes in any circumstances other than those described in paragraphs (a)(i) and (a)(ii) above for 12 months after the date of issue of such Notes.

This Base Prospectus is not, and under no circumstances is to be construed as, an advertisement or public offering of any Notes in Australia.

**(f) Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

**(g) Hong Kong**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**")) other than (a) to "professional

investors" as defined in the SFO and any rules made under the SFO, or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- (ii) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Notes, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws in Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

**(h) The People's Republic of China**

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will not be offered or sold directly or indirectly within the PRC. This Base Prospectus, the Notes and any material or information contained or incorporated by reference herein in relation to the Notes have not been, and will not be, submitted to or approved/verified by or registered with the China Securities Regulatory Commission ("**CSRC**") or other relevant governmental and regulatory authorities in the PRC pursuant to relevant laws and regulations and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC. Neither this Base Prospectus nor any material or information contained or incorporated by reference herein constitutes an offer to sell or the solicitation of an offer to buy any securities in the PRC.

The Notes may only be invested by PRC investors that are authorised to engage in the investment in the Notes of the type being offered or sold. PRC investors are responsible for obtaining all relevant government regulatory approvals/licenses, verification and/or registrations themselves, including, but not limited to, any which may be required from the State Administration of Foreign Exchange, CSRC, the China Banking and Insurance Regulatory Commission and other regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or overseas investment regulations.

**(i) France**

Each Dealer has represented agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has only offered or sold and will only offer or sell, directly or indirectly, Notes in France to qualified investors (*investisseurs qualifiés*) as defined in Article L.411-2 1° of the French *Code monétaire et financier* and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France to such qualified investors this Base Prospectus, any Final Terms or any other offering material relating to the Notes.

**(j) Spain**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes may not be offered or sold in Spain other than by institutions authorised under the consolidated text of the Securities Market Law approved by legislative Royal Legislative Decree 4/2015 of 23 October (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*) (the "**Spanish Securities Market Law**"), Royal Decree 217/2008 of 15 February on the legal regime applicable to investment services companies (*Real Decreto 217/2008, de 15 de febrero, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión*)

and related legislation to provide investment services in Spain and in accordance with the provisions of the Spanish Securities Market Law and further developing legislation.

Neither the Notes nor this Base Prospectus have been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and therefore the Notes may not be offered, sold or distributed, nor may any subsequent resale of Notes be carried out in Spain, except in circumstances which do not require the registration of a prospectus in Spain or without complying with all legal and regulatory requirements under Spanish securities laws.

**(k) Singapore**

Each Dealer has acknowledged that it understands, and each further Dealer appointed under the Programme will be required to acknowledge that it understands, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

**(l) Switzerland**

The offering of the Notes in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because either the Notes have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more or the Notes will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Prospectus does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes.

**(m) General**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, to comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers the Notes or possesses or distributes this Base Prospectus, any other offering material or any Final Terms (or Pricing Supplement, in the case of Exempt Notes) and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have responsibility therefor.

With regard to each Tranche, the relevant Dealer (if any) will be required to comply with any additional restrictions set out in the applicable Final Terms.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## FORM OF FINAL TERMS

Final Terms dated [date]

NatWest Markets N.V.

*(incorporated with limited liability under the laws of The Netherlands and having its corporate seat in Amsterdam, The Netherlands and registered in the Commercial Register of the Chamber of Commerce under number 33002587)*

Legal entity identifier (LEI): X3CZP3CK64YBHON1LE12

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the €2,000,000,000

Euro Medium Term Note Programme

**[MiFID II Product Governance / Professional investors and ECPs only target market]** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[UK MiFIR product governance / Professional investors and ECPs only target market]** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and profession clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**UK distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended, "**MiFID II**")] / [MiFID II]; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation (as defined below). Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the

EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and ["Excluded Investment Products"]/[ "Specified Investment Products"] (as defined in MAS Notice SFA 04 N12: Notice on the Sale of Investment Products and MAS Notice FAA N16: Notice on Recommendations on Investment Products).]

## PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 30 September 2021 [and the supplemental Prospectus[es] dated [•]][and [•]] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Prospectus [as so supplemented] in order to obtain all relevant information. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplemental Prospectus[es]] [is] [are] available for viewing at [address] [and] [website] and copies may be obtained from [address].]

- |   |  |   |
|---|--|---|
| 1 | Issuer:  | NatWest Markets N.V.  |
| 2 | [(i)] Series Number:   | [•]   |
|   | [(ii)] Tranche Number:   | [•]   |
|   | [(iii)] Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single Series with [•] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about [•]/[other]]/[Not Applicable]] |
| 3 | Specified Currency or Currencies:  | [•]   |

		[CNY Currency Event]
		[Relevant Currency: USD/HKD/[•]]
4	Aggregate Nominal Amount:	[•]
	[(i)] Series:	[•]
	[(ii)] Tranche:	[•]
5	Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
6	(i) Specified Denominations:	[•] [and integral multiples of [•] in excess thereof up to and including [•]. No notes in definitive form will be issued with a denomination above [•]]
	(ii) Calculation Amount:	[•]
7	[(i)] Issue Date:	[•]
	[(ii)] Interest Commencement Date:	[•]
8	Maturity Date:	[•]
9	Interest Basis:	[[•] per cent. Fixed Rate] [Reset Notes] [[EURIBOR][BBSW][BKBW][SHIBOR][HIBOR] [CNH HIBOR] [SOR][SIBOR][TIBOR][CDOR][STIBOR][NIBOR] [SOFR][SONIA][€STR][SARON]+/- [•] per cent. Floating Rate] [Zero Coupon]
10	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [•] per cent. of their nominal amount
11	Change of Interest Basis:	[•]/Not Applicable
12	Put/Call Options:	[Investor Put] [Issuer Call]
13	[Date [Board] approval for issuance of Notes obtained:	[•]

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14	Fixed Rate Note Provisions:	[Applicable/Not Applicable]
	(i) Rate(s) of Interest:	[•] per cent. per annum payable in arrear [on each Interest Payment Date]
	(ii) Interest Payment Date(s):	[•] [and [•]] in each year up to and including the Maturity Date [[in each case,] subject to adjustment in accordance with paragraph 14(vii)]
	(iii) Fixed Coupon Amount[(s)]:	[[•] per Calculation Amount][Not Applicable]
	(iv) Broken Amount(s):	[[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on][•]][Not Applicable]



	(v) Day Count Fraction:	[30/360]/[Actual/Actual (ICMA)]/[Actual/365(Fixed)]/ [RBA Bond Basis]
	(vi) Determination Dates:	[•] in each year
	(vii) Business Day Convention:	[Modified Following Business Day Convention [[unadjusted]/[adjusted]]/Not Applicable]
	(viii) Business Centre(s):	[•]
15	Reset Note Provisions:	[Applicable/Not Applicable]
	(i) Initial Rate of Interest:	[•] per cent. per annum payable in arrear [on each Interest Payment Date]
	(ii) First Margin:	[+/-][•] per cent. per annum
	(iii) Subsequent Margin:	[[+/-][•] per cent. per annum] [Not Applicable]
	(iv) Interest Payment Date(s):	[•] [and [•]] in each year up to and including the Maturity Date [[in each case,] subject to adjustment in accordance with paragraph 15(xiv)]
	(v) Fixed Coupon Amount up to (but excluding) the First Reset Date:	[[•] per Calculation Amount][Not Applicable]
	(vi) Broken Amount(s):	[[•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•]][Not Applicable]
	(vii) First Reset Date:	[•][subject to adjustment in accordance with paragraph 15(xv)]
	(viii) Subsequent Reset Date(s):	[•] [and [•]] [subject to adjustment in accordance with paragraph 15(xiv)]
	(ix) Reset Reference Rate:	[Mid-Swap Rate/Sterling Reference Bond Rate/Non-Sterling Reference Bond Rate/U.S. Treasury Rate]
	(x) Initial Reference Rate:	[[•]/Not Applicable]
	(xi) Reset Determination Time:	[•]
	(xii) Relevant Screen Page:	[[•]/Not Applicable]
	(xiii) Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate/Not Applicable]
	(xiv) Mid-Swap Maturity	[[•]/Not Applicable]
	(xv) Day Count Fraction:	[30/360]/[Actual/Actual(ICMA)]/[Actual/365 (Fixed)]/ [RBA Bond Basis]
	(xvi) Determination Dates:	[•] in each year
	(xvii) Business Day Convention:	[Modified Following Business Day Convention [[unadjusted]/[adjusted]]/Not Applicable]
	(xviii) Business Centre(s):	[•]
	(xix) Calculation Agent (if not NatWest Markets Plc):	[•]/[Not Applicable]
	(xvii) Original Mid-Swap Rate Basis:	[Annual/Semi-annual/Quarterly/Monthly/Not Applicable]
	(xviii) Initial Mid-Swap Rate Final Fallback:	[Applicable/Not Applicable]

- [– Initial Mid-Swap Rate: [•] per cent.]
- (xix) Reset Period Maturity Initial Mid-Swap Rate Final Fallback: [Applicable/Not Applicable]
- [– Reset Period Maturity Initial Mid-Swap Rate: [•] per cent.]
- (xx) Last Observable Mid-Swap Rate Final Fallback: [Applicable/Not Applicable]
- (xxi) Subsequent Reset Rate Mid-Swap Rate Final Fallback: [Applicable/Not Applicable]
- (xxii) Subsequent Reset Rate Last Observable Mid-Swap Rate Final Fallback: [Applicable/Not Applicable]
- 16 Floating Rate Note Provisions: [Applicable/Not Applicable]
- (i) Interest Period(s)/Specified Interest Payment Dates: [•]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (iii) Business Centre(s): [•]
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Calculation Agent (if not NatWest Markets Plc): [•]/[Not Applicable]
- (vi) Screen Rate Determination:
- Reference Rate: [• month] [ [EURIBOR] [BBSW] [BKBM] [SHIBOR] [HIBOR] [CNH HIBOR] [SOR] [SIBOR] [TIBOR] [CDOR] [STIBOR] [NIBOR] [SOFR] [SONIA] [Compounded Daily €STR] [SARON]
- Interest Determination Date(s): [Second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period]
- [First day of each Interest Period]
- [Second day on which the TARGET 2 System is open prior to the start of each Interest Period]
- [the date falling two Business Days prior to the first day of such Interest Period]
- [[•] Business Day[s] prior to the start of each Interest Period]

	[[•] Business Day[s] prior to the end of each Interest Period or, if earlier, prior to the date on which the Notes are redeemed] <sup>1</sup>
– Relevant Screen Page:	[•] / [Not Applicable]
– Calculation Method:	[Weighted Average/Compounded Daily/Index Determination/ Not Applicable]
– Compounded Index:	[SONIA Compounded Index/SOFR Compounded Index/SARON Compounded Index/Not Applicable]
– Observation Method:	[Lag/Lock-out/Observation Shift/Not Applicable]
– Observation Look-back Period:	[•]/Not Applicable <sup>2</sup> [•] [TARGET Settlement Days] (Insert only if Reference Rate is Compounded Daily €STR)
– ARRC Fallbacks:	[Applicable]/[Not Applicable] – applicable if SOFR is the Reference Rate only
– D:	[365/360/[•]]
– Relevant Decimal Place:	[five/six/seven/[•]]
(vii) ISDA Determination:	
– Floating Rate Option:	[•]
– Designated Maturity:	[•]
– Reset Date:	[•]
– ISDA Benchmarks Supplement:	[Applicable/Not Applicable]
(viii) Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
(ix) Margin(s):	[+/-][•] per cent. per annum
(x) Minimum Rate of Interest:	[•] per cent. per annum
(xi) Maximum Rate of Interest:	[•] per cent. per annum
(xii) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 or 360/360 or Bond Basis 30E/360 or Eurobond Basis 30E/360 (ISDA) RBA Bond Basis]
17 Zero Coupon Note Provisions:	[Applicable/Not Applicable]
(i) Accrual Yield:	[•] per cent. per annum

<sup>1</sup> To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is SONIA, SOFR or €STR, without the prior agreement of the Agent.

<sup>2</sup> The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise, select "Not Applicable".

(ii) Reference Price: [•]

## PROVISIONS RELATING TO REDEMPTION

- 18 Notice periods for Condition 5(b): Minimum period: [•] days  
Maximum period: [•] days
- 19 Issuer Call: [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s): [•] per Calculation Amount
- (iii) Redeemable in part: [Yes][No]
- (iv) If redeemable in part:
- (a) Minimum Redemption Amount: [•]
- (b) Maximum Redemption Amount: [•]
- (v) Notice periods: Minimum period: [•] days  
Maximum period: [•] days
- (vi) Selection Date: [60 days prior to the date fixed for redemption]/[•] days prior to the date fixed for redemption]
- (vii) Publication of list of serial numbers for Notes in definitive form: [Minimum Period: [•] days  
Maximum Period: [•] days]/[Not Applicable]
- (viii) Notification period in relation to exchange of global Note: [Not Applicable] / [[•] days prior to the Selection Date / 10 days prior to the Selection Date]
- 20 Investor Put: [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s): [•] per Calculation Amount
- (iii) Notice periods: Minimum period: [•] days  
Maximum period: [•] days
- 21 Final Redemption Amount: [•] per Calculation Amount
- 22 Early Redemption Amount payable on redemption (a) for tax reasons or (b) on an event of default: [As per Condition 5(e)/[•] per Calculation Amount]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 23 Form of Notes:
- (i) Form: Bearer Notes:
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on and after the Exchange Date on 60 days' notice given at any time/only upon the occurrence of an Exchange Event]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

		[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon the occurrence of an Exchange Event/in the limited circumstances set out in the Permanent Global Note]]
	(ii) NGN:	[Yes][No]
	(iii) CMU Notes:	[Yes][No]
24	Additional Financial Centre(s):	[Not Applicable/[•]]
25	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes. As the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/ No/[•]]
26	Whether TEFRA D/TEFRA C rules applicable or TEFRA rules not applicable:	[TEFRA D/TEFRA C/TEFRA rules not applicable]
27	Relevant Benchmark[s]:	[[ <i>specify benchmark</i> ] is provided by [ <i>administrator legal name</i> ]][ <i>repeat as necessary</i> ]. As at the date hereof, [[ <i>administrator legal name</i> ][appears]/[does not appear]][ <i>repeat as necessary</i> ] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmarks Regulation]/[As far as the Issuer is aware, as at the date hereof, [ <i>specify benchmark</i> ] does not fall within the scope of the Benchmarks Regulation]/[The transitional provisions in Article 51 ( <i>Transitional provisions</i> ) of the Benchmarks Regulation apply such that [ <i>administrator legal name</i> ] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence).]/[Not Applicable]

### THIRD PARTY INFORMATION

[[•] has been extracted from [*source*]. NatWest Markets N.V. confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of NatWest Markets N.V.:

By:.....  
Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING

(i) Admission to trading:

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Amsterdam/specify relevant regulated markets if relevant, admission to official list] with effect from [•]]/[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Amsterdam/specify relevant regulated market, if relevant, admission to official list] with effect from [•]]

(ii) Estimate of total expenses relating to admission to trading: [•]

### 2 RATINGS

[The Notes to be issued have not been rated.]

Ratings:

[The Notes to be issued [have been rated] [are expected to be rated]:

[S&P Global Ratings UK Limited: [•]]

[Moody's Investors Service Ltd.: [•]]

[Fitch Ratings Limited: [•]]

### 3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

["Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]/[•]]

### 4 [REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS

Reasons for the offer:

[•]/[An amount of funding equivalent to the net proceeds of the issue of the Notes (as at the Issue Date) will be allocated as funding for [•] [general banking business][In case Green, Social or Sustainability Notes are issued, the category of Eligible Project must be specified.] [Further details to be included] /[See "Use of Proceeds" in the Base Prospectus].

Estimated net proceeds:

[•]

### 5 [Fixed rate and reset notes only – YIELD

Indication of yield:

[•]

Calculated as [•] on the Issue Date.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

### 6 [HISTORICAL INTEREST RATES

Details of historical [[EURIBOR] [BBSW] [BKBW] [SHIBOR] [HIBOR] [CNH HIBOR] [SOR] [SIBOR] [TIBOR] [CDOR] [STIBOR] [NIBOR] [SOFR] [SONIA] [€STR] [SARON] rates can be obtained from [Reuters].]

### 7 OPERATIONAL INFORMATION

- (i) ISIN: [•]
- (ii) Common Code: [•]
- (iii) CMU Instrument Number: [•]
- (iv) Clearing System: [Euroclear Bank SA/NV and Clearstream Banking S.A./Central Moneymarkets Unit Service]
- (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/[•]]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [•]/[Not Applicable]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]  
 [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]  
 [Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]
- (ix) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (x) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]

## FORM OF PRICING SUPPLEMENT

Pricing Supplement dated [date]

NatWest Markets N.V.

*(incorporated with limited liability under the laws of The Netherlands and having its corporate seat in Amsterdam, The Netherlands and registered in the Commercial Register of the Chamber of Commerce under number 33002587)*

Legal entity identifier (LEI): X3CZP3CK64YBHON1LE12

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the €2,000,000,000

Euro Medium Term Note Programme

*Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes issued under the Programme.*

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 FOR THE ISSUE OF THE NOTES DESCRIBED BELOW AND THE NETHERLANDS AUTHORITY FOR THE FINANCIAL MARKETS (STICHTING AUTORITEIT FINANCIËLE MARKTEN) HAS NEITHER APPROVED NOR REVIEWED INFORMATION CONTAINED HEREIN.**

**[MiFID II Product Governance / Professional investors and ECPs only target market]** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]/[other appropriate target market legend to be included]

**[UK MiFIR product governance / Professional investors and ECPs only target market]** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and profession clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Notes (a "**UK distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail



investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended, "MiFID II")]/[MiFID II]; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS]** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[Singapore Securities and Futures Act Product Classification]** – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and ["Excluded Investment Products"]/[ "Specified Investment Products"] (as defined in MAS Notice SFA 04 N12: Notice on the Sale of Investment Products and MAS Notice FAA N16: Notice on Recommendations on Investment Products).]

## PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Base Prospectus dated 30 September 2021 [and the supplemental Prospectus(es) dated [date] [and [date]]] ([together,] the "**Prospectus**"). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Prospectus. The full information that has been provided on the Issuer and the offer of the Notes is only available on the basis of the combination of the Pricing Supplement and the Prospectus.]

[The Prospectus [and the supplemental Prospectus(es)] [is][are] available for viewing at [address] [and] [website] and copies may be obtained from [address].]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Pricing Supplement.]*

- 1 Issuer: NatWest Markets N.V.
- 2 [(i)] Series Number: [•]
- [(ii)] Tranche Number: [•]
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).*
- [(iii)] Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [•] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about [•]/[other]]/[Not Applicable]]
- 3 Specified Currency or Currencies: [•]
- [CNY Currency Event]
- [Relevant Currency: USD/HKD/[•]]
- [US Dollar Settlement]
- (N.B. CNY Currency Event, Relevant Currency and US Dollar Settlement apply to Notes denominated in Renminbi only. A Calculation Agent will also need to be specified for such Notes.)*
- 4 Aggregate Nominal Amount: [•]
- [(i)] Series: [•]
- [(ii)] Tranche: [•]
- 5 Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•] *(in the case of fungible issues only, if applicable)*]
- 6 (i) Specified Denominations: [•] [and integral multiples of [•] in excess thereof up to and including [•]. No notes in definitive form will be issued with a denomination above [•]]
- (Note – Although the Issuer may issue Notes with a denomination of less than €100,000 or equivalent where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:*
- "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")*
- (ii) Calculation Amount: [•]

*(If only one Specified Denomination, insert the Specified Denomination.*

*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*

- 7    [(i)]    Issue Date:    [•]
- [(ii)]    Interest Commencement Date:    [•]
- 8    Maturity Date:    *[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
- 9    Interest Basis:    [[•] per cent. Fixed Rate]
- [Reset Notes]
- [[EURIBOR] [BBSW] [BKBM] [SHIBOR] [HIBOR]  
[CNH HIBOR] [SOR] [SIBOR] [TIBOR] [CDOR]  
[STIBOR] [NIBOR] [SOFR] [SONIA] [€STR]  
[SARON] *[specify other reference rate]* +/- [•] per cent.  
Floating Rate]
- [Zero Coupon]
- [(specify other)]*
- (Further particulars specified below)
- 10    Redemption/Payment Basis:    Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [•] per cent. of their nominal amount
- [(specify other)]*
- 11    Change of Interest or Redemption/Payment Basis:    *[Specify details of any provision for change of Notes into another interest or redemption/payment basis]*
- 12    Put/Call Options:    [Investor Put]
- [Issuer Call]
- [(Further particulars specified below)]*
- 13    [Date [Board] approval for issuance of Notes obtained:    [•]]
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 14 Fixed Rate Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate(s) of Interest: [•] per cent. per annum payable in arrear [on each Interest Payment Date]
- (ii) Interest Payment Date(s): [•] [and [•]] in each year up to and including the Maturity Date [[in each case,] subject to adjustment in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*]
- (iii) Fixed Coupon Amount[(s)]: [[•] per Calculation Amount][Not Applicable]
- (Applicable to Notes in definitive form)*
- (iv) Broken Amount(s): [[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on][•]][Not Applicable]
- (v) Day Count Fraction: [30/360]/[Actual/Actual (ICMA)]/[Actual/365(Fixed)]/[RBA Bond Basis]/[specify other]
- (vi) Determination Dates: [•] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (vii) Other terms relating to method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
- (viii) Business Day Convention: [Modified Following Business Day Convention][[unadjusted]/[adjusted]][Not Applicable]
- (ix) Business Centre(s): [•]
- 15 Reset Note Provisions: [Applicable/Not Applicable]
- (i) Initial Rate of Interest: [•] per cent. per annum payable in arrear [on each Interest Payment Date]
- (ii) First Margin: [+/-][•] per cent. per annum
- (iii) Subsequent Margin: [[+/-][•] per cent. per annum] [Not Applicable]
- (iv) Interest Payment Date(s): [•] [and [•]] in each year up to and including the Maturity Date [[in each case,] subject to adjustment in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*]

- (v) Fixed Coupon Amount up to (but ☐ per Calculation Amount)[Not Applicable]  
excluding) the First Reset Date: *(Applicable to Notes in definitive form)*
- (vi) Broken Amount(s): ☐ per Calculation Amount payable on the Interest  
Payment Date falling [in/on] ☐[Not Applicable]  
*(Applicable to Notes in definitive form)*
- (vii) First Reset Date: ☐ [subject to adjustment in accordance with paragraph  
15 (xiv)]
- (viii) Subsequent Reset Date(s): ☐ [and ☐] [subject to adjustment in accordance with  
paragraph 15(xiv)]
- (ix) Reset Reference Rate: [Mid-Swap Rate/Sterling Reference Bond Rate/Non-  
Sterling Reference Bond Rate/U.S. Treasury Rate]
- (x) Initial Reference Rate: ☐/Not Applicable]
- (xi) Reset Determination Time: ☐
- (xii) Relevant Screen Page: ☐/Not Applicable]
- (xiii) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate]
- (xiv) Mid-Swap Maturity: ☐
- (xv) Day Count Fraction: [30/360]/[Actual/Actual(ICMA)]/[Actual/365 (Fixed)]/  
[RBA Bond Basis]
- (xvi) Determination Dates: ☐ in each year *(insert regular interest payment dates,  
ignoring issue date or maturity date in the case of a long  
or short first or last coupon. N.B. only relevant where  
Day Count Fraction is Actual/Actual (ICMA))*
- (xvii) Business Day Convention: [Modified Following Business Day Convention  
[[unadjusted]/[adjusted]]/Not Applicable]
- (xviii) Business Centre(s): ☐
- (xix) Calculation Agent (if not NatWest ☐/[Not Applicable]  
Markets N.V.):
- (xvii) Original Mid-Swap Rate Basis [Annual/Semi-annual/Quarterly/Monthly/Not  
Applicable]
- (xviii) Initial Mid-Swap Rate Final  
Fallback: [Applicable/Not Applicable]  
[– Initial Mid-Swap Rate: ☐ per cent.]
- (xix) Reset Period Maturity Initial Mid-  
Swap Rate Final Fallback: [Applicable/Not Applicable]  
[– Reset Period Maturity Initial Mid-  
Swap Rate: ☐ per cent.]

- (xx) Last Observable Mid-Swap Rate Final [Applicable/Not Applicable]  
Fallback:
- (xxi) Subsequent Reset Rate Mid-Swap Rate [Applicable/Not Applicable]  
Final Fallback:
- (xxii) Subsequent Reset Rate Last [Applicable/Not Applicable]  
Observable Mid-Swap Rate Final  
Fallback:
- 16 Floating Rate Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Interest Period(s)/Specified Interest [•]  
Payment Dates:
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
- (iii) Business Centre(s): [•]
- (iv) Manner in which the Rate(s) of Interest [Screen Rate Determination/ISDA is/are to be determined: Determination/*specify other*]
- (v) Calculation Agent (if not NatWest [•]/[Not Applicable] Markets Plc):
- (vi) Screen Rate Determination:
- Reference Rate: [• month] [ [EURIBOR] [BBSW] [BKBM] [SHIBOR] [HIBOR] [CNH HIBOR] [SOR] [SIBOR] [TIBOR] [CDOR] [STIBOR] [NIBOR] [SOFR] [SONIA] [Compounded Daily €STR] [SARON] [*specify other*]]
- Interest Determination Date(s): [Second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period]
- [First day of each Interest Period]
- [Second day on which the TARGET 2 System is open prior to the start of each Interest Period]
- [the date falling two Business Days prior to the first day of such Interest Period (*In respect of the Reference Rate being CNH HIBOR*)]
- [[•] Business Day[s] prior to the start of each Interest Period]

- [[•] Business Day[s] prior to the end of each Interest Period or, if earlier, prior to the date on which the Notes are redeemed]
- [specify other]<sup>3</sup>
- Relevant Screen Page: [•] / [Not Applicable] *(In the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
  - Calculation Method: [Weighted Average/Compounded Daily /Index Determination/Not Applicable]
  - Compounded Index: [SONIA Compounded Index/SOFR Compounded Index/SARON Compounded Index/Not Applicable]
  - Observation Method: [Lag/Lock-out/Observation Shift/Not Applicable]
  - Observation Look-back Period: [[•]/Not Applicable<sup>4</sup> *(Required unless Observation Method is specified as "Lock-out")*]  
[•] [TARGET Settlement Days]  
*(Insert only if Reference Rate is Compounded Daily €STR)*
  - ARRC Fallbacks: [Applicable]/[Not Applicable] – *applicable if SOFR is the Reference Rate only*
  - D: [365/360/[•]]
  - Relevant Decimal Place: [five/six/seven/[•]] *(unless otherwise specified in the Final Terms, this will be the fifth decimal place in the case of the SONIA Compounded Index or where Weighted Average or Compounded Daily is specified as Calculation Method, the sixth decimal place in case of the SARON Compounded Index and the seventh decimal place in the case of the SOFR Compounded Index)*
- (vii) ISDA Determination:
- Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
  - ISDA Benchmarks Supplement: [Applicable/Not Applicable]
- (viii) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated

<sup>3</sup> To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is SONIA, SOFR or €STR, without the prior agreement of the Agent.

<sup>4</sup> The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise, select "Not Applicable".

- using Linear Interpolation (*specify for each short or long interest period*)]
- (ix) Margin(s): [ +/- ][ • ] per cent. per annum
- (x) Minimum Rate of Interest: [ • ] per cent. per annum
- (xi) Maximum Rate of Interest: [ • ] per cent. per annum
- (xii) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)  
RBA Bond Basis  
(*specify other*)]
- (xiii) Fall back provisions, rounding[ • ]  
provisions, denominator and any other  
terms relating to the method of  
calculating interest on Floating Rate  
Notes, if different from those set out in  
the Conditions:
- 17 Zero Coupon Note Provisions: [Applicable/Not Applicable]
- (i) Accrual Yield: [ • ] per cent. per annum
- (ii) Reference Price: [ • ]
- (iii) Any other formula/basis of determining[ • ]  
amount payable:

## PROVISIONS RELATING TO REDEMPTION

- 18 Notice periods for Condition 5(b): Minimum period: [ • ] days  
Maximum period: [ • ] days  
  
(*N.B. When setting notice periods the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent*)
- 19 Issuer Call: [Applicable/Not Applicable]  
  
(*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (i) Optional Redemption Date(s): [ • ]



- (ii) Optional Redemption Amount(s) and [•] per Calculation Amount method, if any, of calculation of such amount:
- (iii) Redeemable in part: [Yes][No]
- (iv) If redeemable in part:
- (A) Minimum Redemption Amount: [•]
- (B) Maximum Redemption Amount: [•]
- (v) Notice periods: Minimum period: [•] days  
Maximum period: [•] days  
*(N.B. When setting notice periods the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
- (vi) Selection Date: [60 days prior to the date fixed for redemption]/[•] days prior to the date fixed for redemption]
- (vii) Publication of list of serial numbers for [Minimum period: [•] days  
Notes in definitive form: Maximum period: [•] days]]
- (viii) Notification period in relation to [Not Applicable] / [[•] days prior to the Selection Date / 10 days prior to the Selection Date]  
exchange of global Note:
- 20 Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) and [•] per Calculation Amount method, if any, of calculation of such amount:
- (iii) Notice periods: Minimum period: [•] days  
Maximum period: [•] days  
*(N.B. When setting notice periods the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other*

*notice requirements which may apply, for example, as between the Issuer and the Agent)*

- 21 Final Redemption Amount: ☐ per Calculation Amount/*specify other/see Appendix*
- 22 Early Redemption Amount payable on ☐ As per Condition 5(e)/☐ per Calculation redemption (a) for tax reasons or (b) on an ☐ Amount/*specify other* event of default:

## **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 23 Form of Notes:

(i) Form:

Bearer Notes:

☐ Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes ☐ on and after the Exchange Date on 60 days' notice given at any time/only upon the occurrence of an Exchange Event]]

☐ Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

☐ Permanent Global Note exchangeable for Definitive Notes ☐ on 60 days' notice given at any time/only upon the occurrence of an Exchange Event/in the limited circumstances set out in the Permanent Global Note]]

*[N.B. If Limited Exchange Event applies, insert details and a new form of Permanent Global Note needs to be executed]*

*(N.B. The exchange upon notice at any time option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*

(ii) NGN:

☐ Yes][No]

*(If the Notes are intended to be eligible collateral for Eurosystem monetary policy and intra-day credit operations, the New Global Note should be used. The New Global Note must be used if it is intended that the Notes be held in a manner which would allow Eurosystem eligibility and a "yes" election is made in the section in Part B under the heading "Operational Information" entitled "Intended to be held in a manner which would allow Eurosystem eligibility".)*

(iii) CMU Notes: [Yes][No]

*(If the Notes are intended to be cleared through the Central Moneymarkets Unit Service, CMU Notes should be specified.)*

24 Additional Financial Centre(s): [Not Applicable/[•]]

25 Talons for future Coupons to be attached to [Yes. As the Notes have more than 27 coupon payments, Definitive Notes (and dates on which such Talons may be required if, on exchange into definitive Talons mature): form, more than 27 coupon payments are still to be made /No/[•]]

26 Other final terms or special conditions: [Not Applicable/*give details*]

*(consider if additional risk factors are required)*

## **DISTRIBUTION**

27 (i) If syndicated, names and addresses of [Not Applicable/*give names, addresses and Managers and underwriting commitments*]  
commitments:

(ii) Date of [Syndication] Agreement: [•]

(iii) Stabilising Manager(s) (if any): [Not Applicable/*give name*]

28 If non-syndicated, name and address of [Not Applicable/*give name and address*]  
Dealer:

29 [Total commission and concession: [•] per cent. of the Aggregate Nominal Amount]]

30 Additional selling restrictions: [Not Applicable/*give details*]

31 Whether TEFRA D/TEFRA C rules [TEFRA D/TEFRA C/TEFRA rules not applicable]  
applicable or TEFRA rules not applicable

## **PURPOSE OF THE PRICING SUPPLEMENT**

This Pricing Supplement comprises the final terms required for issue [and] [admission to trading on [specify relevant market]] of the Notes described herein pursuant to the [•][•] Euro Medium Term Note Programme of NatWest Markets N.V.

## **[THIRD PARTY INFORMATION]**

[[•] has been extracted from [source]. NatWest Markets N.V. confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of NatWest Markets N.V.:

By:

.....

Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING

Admission to trading:

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant market] with effect from [•]] [Not Applicable]

*(Where documenting a fungible issue, indicate that original securities are already admitted to trading.)*

### 2 RATINGS

[The Notes to be issued have not been rated.]

Ratings:

[The Notes to be issued [have been rated] [are expected to be rated]:

[S&P Global Ratings UK Limited: [•]]

[Moody's Investors Service Limited: [•]]

[Fitch Ratings Limited: [•]]

### 3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

*Include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

["Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."] [•]]

### 4 [REASONS FOR THE OFFER

[•]/[An amount of funding equivalent to the net proceeds of the issue of the Notes (as at the Issue Date) will be allocated as funding for [•] [general banking business][*In case Green, Social or Sustainability Notes are issued, the category of Eligible Project must be specified.*] [Further details to be included]]/[See "Use of Proceeds" in the Prospectus.].

*(See "Use of Proceeds" wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*

### 4 [Fixed rate and reset notes only – YIELD

Indication of yield:

[•]

Calculated as [•] *[include details of method of calculation in summary form]* on the Issue Date.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

## 5 **[Floating rate notes only – HISTORICAL INTEREST RATES]**

Details of historical [ [EURIBOR] [BBSW] [BKBM] [SHIBOR] [HIBOR] [CNH HIBOR] [SOR] [SIBOR] [TIBOR] [CDOR] [STIBOR] [NIBOR] [SOFR] [SONIA] [€STR] [SARON] rates [repo rates for Renminbi with a maturity of seven days] *[other]* can be obtained from [Reuters].]

## 6 **OPERATIONAL INFORMATION**

- (i) ISIN: [•]
- (ii) Common Code: [•]
- (iii) CMU Instrument Number: [•]
- (iv) Clearing System: [Euroclear Bank SA/NV and Clearstream Banking S.A./Central Moneymarkets Unit Service]
- (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s) *[and number(s)]*]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [•]/[Not Applicable]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]

[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] *[include this text if "yes" selected in which case the Notes must be issued in NGN form]*

[Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during

their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] *[include this text if "no" selected]*

- (ix) Prohibition of Sales to EEA Retail [Applicable/Not Applicable]  
Investors:
- (x) Prohibition of Sales to UK Retail [Applicable/Not Applicable]  
Investors:

## GENERAL INFORMATION AND RECENT DEVELOPMENTS

### Authorisation

The establishment of the Programme and the issue of Notes under the Programme have been duly authorised pursuant to a resolution of the Management Board of the Issuer dated 27 August 2018, the resolution of the Supervisory Board of the Issuer dated 13 February 2020 and the Asset and Liability Management Committee (ALCo) of the Issuer dated 18 March 2020. The update of the Programme has been duly authorised pursuant to a resolution of the Asset and Liability Management Committee of the Issuer dated 24 September 2021.

### Listing

Notes which are admitted to Euronext Amsterdam will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to trading on Euronext Amsterdam will be admitted separately as and when issued, upon submission to the AFM and to Euronext Amsterdam of the applicable Final Terms, subject only to the issue of the Notes of that Tranche.

### Issue Price

The issue price and amount of the relevant Notes will be determined before filing of the applicable Final Terms of each Tranche, based on prevailing market conditions.

### Documents Available for Inspection or Collection

For the 12 months from the date of this Base Prospectus, copies of the following documents will, when available, be available during usual business hours on a weekday (Saturdays, Sundays and public holidays excepted) for inspection at the principal office of the Issuer at: NatWest Markets N.V., Claude Debussylaan 94, 1082 MD Amsterdam, The Netherlands:

- (i) the deed of incorporation and the up to date articles of association of the Issuer, which are also available at <https://investors.natwestgroup.com/fixed-income-investors/company-legal-structure>;
- (ii) this Base Prospectus, any further or supplementary prospectuses relating to the Programme and each of the documents incorporated by reference into this Base Prospectus and any further or supplementary prospectuses, which are also available at <https://investors.natwestgroup.com/regulatory-news/company-announcements>;
- (iii) the Agency Agreement (which contains the forms of the temporary and permanent global Notes, the definitive Notes, the Coupons and the Talons); and
- (iv) any Final Terms in respect of Notes listed on any stock exchange, which are also available at <https://investors.natwestgroup.com/regulatory-news/company-announcements>.

Unless otherwise stated in the applicable Final Terms, the Issuer does not intend to provide post-issuance information in connection with any issue of Notes.

For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on a website does not form part of this Base Prospectus.

### Legal Proceedings

Other than as referred to under "*Description of the Issuer – Legal and Arbitration Proceedings*" on page 125 of this Base Prospectus, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have or have had

during the 12 months preceding the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and/or NWM NV Group.

#### **No Significant Change and No Material Adverse Change**

There has been no significant change in the financial position or financial performance of NWM NV Group taken as a whole since 30 June 2021 (the end of the last financial period for which the latest unaudited financial information of NWM NV Group has been published).

Up to the date of this Base Prospectus, other than as disclosed in the section entitled "*Risk Factors – Economic and political risk – The direct and indirect effects of the Covid-19 pandemic are having an adverse impact on NWM Group's business and results of operations, which is likely to be material if conditions worsen or are prolonged, and may affect its ability to meet its targets and achieve its strategic objectives.*", there has been no material adverse change in the prospects of the Issuer since 31 December 2020 (the end of the last financial period for which the latest audited financial information of the Issuer has been published).

#### **Presentation of financial information**

The consolidated financial statements of the Issuer and NWM NV Group for the years ended 31 December 2020 and 31 December 2019 have been prepared in accordance with IFRS as adopted by the European Union and comply with Part 9 of Book 2 of the Dutch Civil Code.

#### **Auditors and Financial Statements**

The consolidated financial statements of the Issuer and NWM NV Group for the years ended 31 December 2020 and 31 December 2019 have been audited, without qualification, in accordance with Dutch law, by Ernst & Young Accountants LLP ("EY"), independent auditors, as stated in their reports appearing herein. The individual auditors of EY are members of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).

#### **Information Sourced from a third party**

All information presented in this Base Prospectus sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from such information, no facts have been omitted which would render the information inaccurate or misleading.

#### **Clearing Systems**

##### **Euroclear and Clearstream, Luxembourg**

The Notes (other than the CMU Notes) have been accepted for clearance through Euroclear and Clearstream, Luxembourg which are the entities in charge of keeping the records. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The appropriate codes for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be contained in the applicable Final Terms.

##### **CMU Service**

The CMU Service is a central depository service provided by the Central Moneymarkets Unit of the Hong Kong Monetary Authority (the "**HKMA**") for the safe custody and electronic trading between the members of this service (the "**CMU Members**") of capital markets instruments (the "**CMU Instruments**") which are specified in the CMU Service Reference Manual as capable of being held within the CMU Service. The CMU Service is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU Service is open to all members of the Hong Kong Capital Markets Association and "authorised institutions" under the Banking Ordinance (Cap. 155) of Hong Kong. Compared to clearing services



provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU Service is limited. In particular (and unlike Euroclear and Clearstream, Luxembourg), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the payment or notice provisions of, the CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Instruments are to be credited or notices in respect of the relevant CMU Instruments are to be delivered, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor may hold an interest in any Notes cleared through the CMU Service through an account with either Euroclear or Clearstream, Luxembourg. If that is the case, such investor will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU Service.

The current address of the CMU Service is 55th Floor, Two International Finance Centre, 8 Finance Street Central, Hong Kong.

#### **Other Clearing Systems**

If the Notes are to be cleared through an additional or alternative clearing system, the appropriate information will be contained in the applicable Final Terms.

#### **Credit Ratings**

The information set out below has been extracted from the relevant websites hyperlinked below. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Fitch, S&P, Moody's, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In accordance with Fitch's ratings definitions available as at the date of this Base Prospectus on <https://www.fitchratings.com/products/rating-definitions>, a long-term rating of "A" indicates expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. In accordance with such Fitch ratings definitions, a short-term rating of "F1" indicates the strongest intrinsic capacity for timely payment of financial commitments. In accordance with S&P's ratings definitions available as at the date of this Base Prospectus on [https://www.standardandpoors.com/en\\_US/web/guest/article/-/view/sourceId/504352](https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352), a long-term rating of "A" indicates that the obligor has strong capacity to meet its financial commitments. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. In accordance with such S&P ratings definitions, a short-term rating of "A-2" indicates that an obligor has satisfactory capacity to meet its financial commitments. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in the highest rating category. In accordance with Moody's ratings definitions available as at the date of this Base Prospectus on <https://www.moody.com/ratings-process/Ratings-%20Definitions/002002>, a long-term rating of "A" indicates obligations that are judged to be upper medium-grade and subject to low credit risk and as such may possess certain speculative characteristics. In accordance with such Moody's ratings definitions, a short-term rating of "P-2" indicates a strong ability to repay short-term debt obligations.

### **Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **Legal Entity Identifier**

The Legal Entity Identifier (LEI) code of the Issuer is X3CZP3CK64YBHON1LE12.

### **Validity of Prospectus and Prospectus supplements**

This Base Prospectus has been approved by the AFM as competent authority under the Prospectus Regulation. The AFM only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Notes. This Base Prospectus is valid for a period of 12 months from the date of approval and its validity will expire on 30 September 2022.

For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

#### **THE ISSUER**

**NatWest Markets N.V.**  
Claude Debussylaan 94  
1082 MD Amsterdam  
The Netherlands

Tel: +31 (0) 204642699

#### **THE AGENT**

**The Bank of New York Mellon, London Branch**  
One Canada Square  
London E14 5AL

#### **THE PAYING AGENT**

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